

Rationing by officials

BY JOE ROGALY

THE CASE against Whitehall has been strengthened this week by the report of a committee of officials who have been studying the "allocation of resources" - that is, the spending of money - in the National Health Service. It is an excellent case, the more so because the report is clearly very well-meaning indeed. Of course the officials did not set out to prove that centralised administration of one of the largest civilian employers in the world - the NHS - is mistaken; their task was the more mundane one of calculating whether the various regions of the country were getting a fair share of the total amount spent on the health service so that they could recommend a basis for redistributing the budget allocations.

An attempt

Within their terms of reference, the work they have done is excellent. An interim version of the same report, published in August 1975, suffered from a number of imperfections, but these were pointed out by several people when it was published, and the "Working Party" (a phrase that is related to "committees" in the same way as "resource allocation" is related to "spending money") has produced a far more sophisticated version.

An attempt has been made to construct a formula for spending on health care based on need: for this reason they have fed in death rates as well as the age and sex structure of the population, birth rates, and unavoidable items like London weighting to arrive at a piece of arithmetic upon which future Ministers should be able to share the available revenue among the regional health authorities. The proposals on capital spending are further than this from perfection; the assumption seems to be that the valuation in pounds sterling of capital stock is somehow equivalent to the value of that stock in terms of health care that is provided. This is plainly not so.

None of this is in itself an indictment of management by Whitehall officials, and, to be fair, it has to be said that the policy of rationing health care by placing some kind of limit on total expenditure has brought Britain a reasonable standard of health at what by foreign standards is a bargain price. The difficulty arises when you turn away from lofty calculations about public expenditure as a

RACING BY DOMINIC WIGAN

Piggott chooses Antrona

LESTER PIGGOTT rarely makes a mistake when given a choice of mounts. He has chosen the right one in siding with Antrona in today's Sun Chariot Stakes at Newmarket.

Mr. Gerry Oldham's Royal Palace filly, whom Piggott has selected in preference to Saucelot, Ivory Girl and the Irish challenger, Glance, has maintained high class form throughout the campaign. Her best performance probably came in her two most recent races, the Prix de Psyche and the Prix de la Nonette.

She was a 3/4 length winner from that high class but inconsistent filly, Imogene, in the first named race. In the Prix de la Nonette she probably put up an even better performance, falling narrowly to cope with Thea, who had earlier split her and Riverqueen in a close finish to the £40,000 Prix Saint-Alary at Longchamp.

Antrona is reported to be in particularly fine heart at present. I shall be surprised if she cannot outpace Saucelot who, after several unlucky ventures, re-

turned to winning form with an easy win over Island Degree in the York's Russell Stakes.

A greater threat could be the outsider Eastern Silk, an eight-length winner from Sunburst at Goodwood in August before

who is showing no sign of losing her form to Denis Smith's challenger, Self Portrait, among the runners for the Bentinek Nursery.

A comfortable winner of an extremely modest event at Catterick in mid-July, when she was backed down to 10/1 from an opening show of 25/1, Self Portrait has since comfortably dealt with stiffer opposition. She beat Geopilia in York's competitive City of York Nursery and Exposed in the Beverley Silver Salver.

She should be up to maintaining her run. I take her to outpoint the lightly raced First Swallow, a half-sister to Gold Rod.

Willie Carson, who rides Self Portrait, could enjoy another winning ride when partnering Green Turtle Diver in the opener, the Buckingham Selling Stakes. This Deep River colt, trained by Frank Carr, who is soon to take up a training post with the Royal Hong Kong Jockey Club, has shown enough in two recent runs to suggest that to-day's opposition will not prove beyond him.

NEWMARKET
2.00—Green Turtle Diver
2.30—My Polyanna
3.00—Antrona
3.25—Self Portrait
4.10—Kheela
4.40—Light Lager

running below her true form in a three runner event there.

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Another much improved filly

with a dispersal from the stocks of Calvet, and on Friday with the cellar of the new default United Services Club.

Phillips held a very good auction of Chinese and Japanese ceramics with a top price of £3,800, against the £2,000 estimate, for a sperm whale's tooth carved in relief by a Japanese artist in the late 18th century. It was acquired by Moss. All told, the auction realised £87,345.

The revival in Chinese items was underlined by a price of £2,500 for a pair of pendants of cloisonné enamel plectrums, which had been expected to go for £2,500. Gordon bought a pair of cloisonné mouse flasks for £2,000.

Sotheby's increased its tempo with three busy sales. There were some very good prices for Continental paintings, especially the £4,200, against a £1,000-£1,700 estimate, for "A Mouse in the Trap," signed E. Torral. It was bought by the London dealer McConnell-Mason.

Other high prices were £2,300 from J. Frensch for "Shipping off the Dutch Coast" by Lodewyk

Johnannes Kleyn; £2,200 from C. Fazzaga (about four times the forecast) for Pietro Scoppetta's "Amalfi and the Coast"; and £1,900 for "A Quiet Drink," the temptation of the bottle," by Hermann Kern. The auction totalled £76,040.

At a wine and spirit sale a record price of £205 was paid for a cognac bottle, which was made in 1864 by Charles Hulst. A rare 1810 bottle of cognac bearing the label of the Hotel de Paris in Monte Carlo went for £80.

Sotheby's held a coin sale which produced a total of £83,227. Baldwin gave £2,800 for a 1638 gold portrait medal of Bernhard of Saxe-Weimar, and £1,100 was paid for a gold slater from Cyrenaica, dated about 320 B.C.

Finally Stanley Gibbons' auction in Hong Kong ended with a total of £154,375 for the two days. A rare unused example of a Great Britain 1867-68 1d stamp from Plate One sold for £4,750, and a used block of four of the 5d stamp on white paper from the same issue, one of only four or five such blocks known, made £1,125.

THE SECOND DAY of Christie's wine sale produced some good, solid, prices for the sauternes and certain vintages of claret, but also rather low bids, especially for the Chateau Gruaud-Larose, 1967, which was selling for just £24 a case, lying in Bordeaux.

All told, Domains Cordier, which is disposing of its surplus wines, should have benefited by something approaching £300,000. Most of the bids have been processed.

The sauternes did particularly well. Chateau Lafaurie-Peyrague, 1967, a good and rather overlooked wine, making £45 a case, and the 1970 selling very reasonably for £25 or less. This means that by the time it has been brought to the U.K. it costs about £24 a bottle. Some clarets from Bristol, the 1967s going for £40-£45 and the 1970s for £29-£35.

With these successes it is surprising that there was limited demand for the 1967 clarets, especially as the decline in sterling made the wine very cheap indeed to the overseas buyers who packed the saleroom. Tomorrow the wine sale continues

with a dispersal from the stocks of Calvet, and on Friday with the cellar of the new default United Services Club.

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GOLF BY BEN WRIGHT

Dassu leads Dunlop Masters with a first-round 66

EVERY SO often Baldovino Dassu has good putts for his six. From then on, he parred safely in a rush of mood to the head. Once, in the Swiss Open five years ago, it produced the PGA record round of 60; yesterday it led to the best first round in the Dunlop Masters at St. Peter, Chesham, where his five-under-par 66, gave him a one-shot lead over the American, Eddie Pearce.

He first handled a golf club when he was three and the late Babe Zaharias placed a putter in his hands. At six, he won his age section in the World Pee Wee Championships, and eventually won an Arnold Palmer scholarship to Wake Forest. Credentials hardly come more immaculate and, when Pearce turned professional, he was expected to become the new Nicklaus overnight.

Things have not turned out that way. His fourth tournament, he finished second, in the Nicklaus in Hawaii, but a few weeks later, he had a motor cycle accident. That kept him off the tour for nearly nine weeks, and he failed to get a Rookie of the Year nomination. He dashed in 1975, finishing 18th, and is now about 88th. It is not the kind of progress predicted for him, nor is it one with which he is happy.

He desperately wants to win a tournament, and particularly this one. His wife is expecting their first child this week. Pearce putted with his left hand below his right—a style he took up a few weeks ago. He had only one putt of any length, but more importantly, he missed very few.

Christy O'Connor set the early pace. He began with a six after hitting a 100 yd. putt, but he recovered with an 8 iron hit a 5-iron through the green. His chip was bad, and he required

He three-putted the sixth but holed again from 20 feet at the seventh and managed a tie for the eighth. He birdie the 12th and 13th holes, and in final birdie of the day came the 15th.

O'Connor started the same well when he won the Sunbelt with Eamon Darcy, but apart from a fifth place finish in the Open, has done little since.

Pill clot risk 'is greater for smokers'

WOMEN on the pill who smoke run a greater risk of thrombosis in later life than non-smokers, an international medical conference in Glasgow was told yesterday.

A recent survey showed that smoking combined with the pill affects the body's natural defence mechanism against blood clotting, said Dr. Tom Meade, of the epidemiology and medical unit of Northwick Park Hospital, Harrow, Middlesex.

The survey of women in North London, who had "stable" differences between smokers and non-smokers when both were taking oral contraceptives.

Oral contraceptives are known to increase the risk of thrombosis, but our survey showed that there was also a compensatory increase in the activity of the body's natural defence mechanism against blood clotting, Dr. Meade said.

"When the women smoked this compensatory increase did not take place."

ENTERTAINMENT GUIDE

THEATRES

VALLEYVIEW, 11-435 8888. Eves. 8.30. Mon. 8.30. Tues. 8.30. Wed. 8.30. Thurs. 8.30. Fri. 8.30. Sat. 8.30. Sun. 8.30.

THEATRE

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TV/Radio

† Indicates programmes in black and white.

BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.41 For Schools. Colleges. 12.25 p.m. On The Move. 12.45 News. 1.00 Pebble Mill. 1.45 Bagpuss. 2.00 You And Me. 2.14 For Schools. Colleges. 3.15 The Sky At Night. 3.35 Regional News (except London). 3.55 Play School. 4.20 Astronaut. 4.55 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsworld. 5.10 The Oddball

Couple. 5.35 Noah and Nelly in SkyArk. 5.40 News. 5.45 Tomorrow's World. 7.10 Top of the Pops. 7.40 Happy Ever After. 8.10 Kojak. 8.30 News. 8.35 Sallor. 8.55 Gangsters. 9.45 Tonight. 11.25 Regional News. 11.30 News. 11.35 Regional News. 11.40 News. 11.45 Regional News. 11.50 News. 11.55 Regional News. 12.00 News. 12.05 Regional News. 12.10 News. 12.15 Regional News. 12.20 News. 12.25 Regional News. 12.30 News. 12.35 Regional News. 12.40 News. 12.45 Regional News. 12.50 News. 12.55 Regional News. 1.00 News. 1.05 Regional News. 1.10 News. 1.15 Regional News. 1.20 News. 1.25 Regional News. 1.30 News. 1.35 Regional News. 1.40 News. 1.45 Regional News. 1.50 News. 1.55 Regional News. 2.00 News. 2.05 Regional News. 2.10 News. 2.15 Regional News. 2.20 News. 2.25 Regional News. 2.30 News. 2.35 Regional News. 2.40 News. 2.45 Regional News. 2.50 News. 2.55 Regional News. 3.00 News. 3.05 Regional News. 3.10 News. 3.15 Regional News. 3.20 News. 3.25 Regional News. 3.30 News. 3.35 Regional News. 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Francesca Annis and Roger Rees in the Royal Shakespeare Company's 'The Comedy of Errors' which opened last night at Stratford-upon-Avon.

The second New York City Ballet programme is devoted to one work—*Jewels*—though this is in effect three Balanchine ballets linked only by the thematic idea of precious stones. The first, very briefly, let us say that its design is horrid: that is a pity, sparsely set by Peter Harvey, and wildly unappealing costumes by Karinska, but that apart, the evening is a highlight of the season, enough with *Emeralds*, which uses part of Fauré's incidental music to *Pelléas* and *Shylock* for a divertissement romantic in mood and style, and *Opéra des Amants* at some of the "lovers' meeting" attitudes in the central movement of *Bourrée Fantastique*, and the boasts of the *Opéra des Amants* in Verdi to the spinning scene from *Pelléas*. This the dances with such sweetness and such phenomenal musicality that one might suppose she had danced the same dance and music from the air.

Much more considerable is *Rabies*, which follows it. It is Balanchine/Stravinsky, the two of them, and it has all the attributes in the theatre sometimes seem inseparable. (Does the time and rhythm invented by Stravinsky shake the music of Balanchine? I cannot mark out the boundaries of the music for us?). The score is the 1929 Capriccio for piano and orchestra and 12 dancers at the Metropolitan. The choreography is by Balanchine, Robert Weiss and Colleen Neary.

And there is Patricia MacBride as the central figure in partnership with Mr. Weiss. Miss MacBride is a superlative dancer. If NYCB had had her, I think Miss MacBride would merit the rank, for her technical virtuosity, her musical sensitivity and her elegance mark her as one of the outstanding ballerinas of our time.

But for all the exciting bravura of *Rabies*, I found the classical *Diamonds* even more intriguing. It has become a trite convention to label Mr. Balanchine as heir to Petipa, which he indeed is through his knowledge of the 19th century's *danse d'opéra* as a tool for 20th century genius. Yet in *Diamonds*, which uses the last four movements of Chaussov's *the Opéra des Amants*, we see the Balanchine "as" Ivanov rather than "as" Petipa. It may be excessively fanciful in me to interpret *Diamonds* in this way, but I look to the traditions in which Mr. Balanchine was educated, and to examine the Russian to Russian relationship of the Chaussov/Ivanov rather than the "Russian to Petipa" manner of Chaussov/Chorepina.

Without labouring the point too much, I found that the two allusions to the symphony—Chaussov's *Opéra des Amants*, set for 14 girls, suggested the crystalline evolutions of the snow-flake in Ivanov's *Nat-*

what a charge of subtle and, if appropriate, sensuous expression that still, small voice could make. The music was a mixture of speed, dynamics and emphasis made her expressive power stronger. Not weaker: British singers who wallow in French music have much to learn from her. The French a trifle bumpy.

Unfamiliar items (to me, at least, who was abroad when they came out) include chunks, with orchestra, of Chausson's overture

Balanchine refracts the music through the ruby's facets to produce a shimmering, crystalline effect. Even more so the ardent elegance which Balanchine has set as a miraculous duet for Suzanne Farrell and himself. The two are having summation of the late-romantic passion, evolving the Oedipus-Electra encounter in Stein's "The Art of Music," with intensity and magnificent unforcedness of a choreographic line.

In it Miss Farrell and Mr. Martins are shown as artists with few peers in the world to-day. Their symphony of final poses, Petipa's "The Swan" and "The Firebird" is a perfect picture for the entire cast, and it could serve as the closing sequence for *The Sleeping Beauty*—a noble, stirring, and wonderful scene.

Why, in today's terms, is it I would qualify the City Ballet and its ballet-master.

Book Reviews
— on Page 14

French knack of setting words so that text and music fuse completely. Hearing Thilly's virile declamation of Julien's first scene and his firm shaping of the Serenade, one gains respect for Chopartier — mawkishness and picture-postcard charm retreat into the background. Valli's voice is not so successfully captured, but this is a minor fault. She should tame the apple of the Freedom theme still takes the breath away.

Maggie Teyte, who died only a few months ago, succeeded Mary Garden, the first Melisande at the Opéra-Comique (Garden was also a Thilly creation). Teyte studied the role with Debussy, and throughout her long career remained closely associated with French music, but her greatest love was Mozart. Her Mozartian parts were teacher Jean de Reszke, Beecham and Reynaldo Hahn, who championed her, and her own husband, who died in England. This four-disc album from HMV has become, alas, a posthumous tribute, carrying with it an appeal for the Prize Fund for young women singers which Maggie Teyte founded under her own name some years before her death, and which through her long illness and through advancing inflation was in danger of exhaustion.

The object of the Prize was "to preserve the traditions of classical singing. Teyte was neither large nor especially brilliant, was a pure lyric soprano, admirably formed by Reszke, used with unfailing discrimination. It was astonishing

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Maxwell Davies premiere

The Young Musicians' Symphony Orchestra announces that the world premiere of *Five Klee Pictures* by Peter Maxwell Davies is to be given at the orchestra's concert in St. John's, with Square, on Saturday, December 16, conducted by James L. McHugh.

The work was written in 1960, when the composer was teaching at Cirencester Grammar School, and was subsequently learned by the orchestra's instrumental parts in the light and a full score created; last year the work

was played by the University of Glasgow Orchestra conducted by Stephen Arnold. Since then Peter Maxwell Davies has substantially revised *Five Klee Pictures*. In part rescoring and expanding the work.

The YMSO will, in fact, be giving the world premiere of the final, complete version.

The rest of the YMSO's programme on Saturday consists of the Concertante in B flat for oboe, bassoon, violin, cello, and orchestra by Haydn, and Mahler's First Symphony.

'Poppea' at Wooburn Festival

The high point of this year's music festival at Woodburn, near Woodstock, are the stage performances to-night-to-morrow Saturday of Monteverdi's *Coronation of Poppea* in a translation by Arthur Jacobs. The edition performed is that prepared by the American musicologist Alan Curtis, and baroque instruments will be used in the orchestra. The conductor is Richard Hickox.

Sadler's Wells Theatre
La Fille Mal Gardée
by CLEMENT CRISP


Plus ça change . . . plus c'est la même Royal Ballet Touring Group, though now we must learn to call it the Sadler's Wells Royal Ballet, to acknowledge that at last the tourers have a home of their own. For part of the year, that is, when not delighting the regions with *Filla* and the rest of the repertoire that is gradually returning to what it was six years ago when we called the ensemble the Royal Ballet Touring Company.

Times may change, but *Filla* doesn't. It still charms us totally—has there ever been a dead performance?—and on Tuesday night, the friends and Ronald Embler, munnily back as usual and Simone it looked very lively at the start of the SWRB's autumn season. Desmond Kelly was Colas, coping gallantly with an injury, and giving the role a great deal of pleasing, if brighter than is usual, but none the worse for that; and John Thomas was a wonderfully funny *Chulmas*—he is an exceptional character dancer, and one to treasure.

From the company we had plenty of youthful enthusiasm and some very neat feet, and the dancing of freshness and enjoyment which was always characteristic of the old Touring Group, and one which I hope will never be lost.

The production is played in three acts, as it used to be in the 1960's touring days, and is minimally cut down as to scenery. My one worry is about the dreadful probability of a family dynasty, which haunts Widow Simone's farm if the cream is left standing out all night on a table, with regiments of germs doing their damndest in the nasty enamel pan that is used. It is surely not beyond the wit of the Royal Ballet to restore the dairy that Lancaster's set of Osbert Laughton's set. Act two is a more promising prospect, however. A bright account of the score from the orchestra under Barry Wordsworth, and the happy quality of the company's reading, promise good things for the future.

Which international company is big in construction and rich in resources?
ANSWER PAGE 9.



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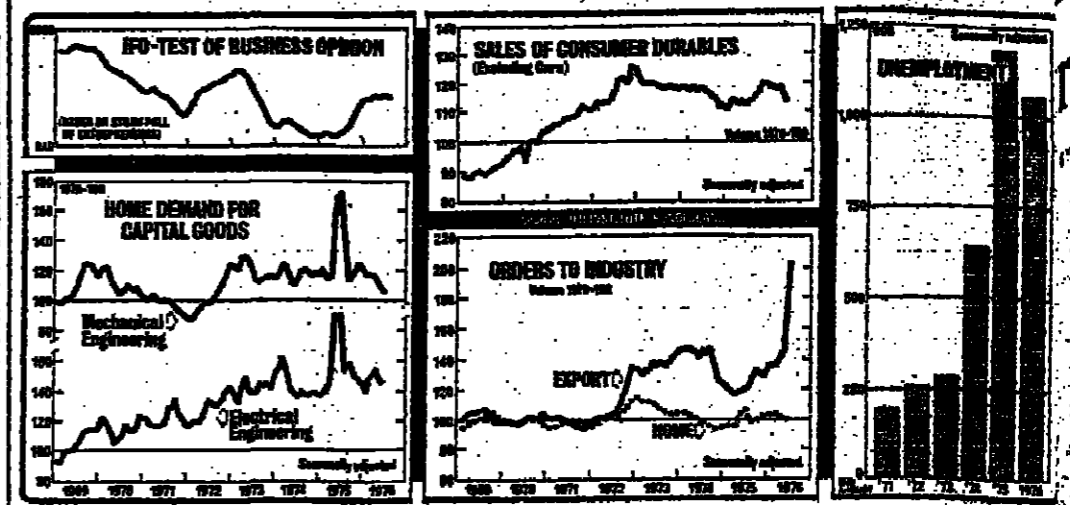
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EUROPEAN NEWS

WEST GERMAN ECONOMY



Recovery proving short-winded

BY NICHOLAS COLCHESTER, BONN CORRESPONDENT

THE German economy has proved just enough inflationary steam for it to be neutral in its effect on the election on Sunday. The statistics are not encouraging enough for Herr Helmut Schmidt, the Chancellor, to brandish them before the electorate, nor are they bad enough for his challenger, Herr Helmut Kohl, to make much mileage out of them. In brief: internal demand is stagnant, while export demand is strong. The rate of price increase is exemplary, the rate of unemployment is not. The long overdue recovery of corporate profitability is there, but capital investment is not growing. In brief: recovery is short-lived.

Recovery from recession, for which Herr Schmidt takes credit in his campaign has been rapid. In just over a year industrial production has risen in volume by 12 per cent, from a low point that was reached in July, 1975, after 20 months of decline. Production has now almost got back to the level it had reached before this long slide started. It is the Government's firm prediction that this year's GNP will be a real 6 per cent higher than in 1975.

Companies' hopes for the future have been based increasingly on export markets.

The trouble is that the recovery has proved short-winded. This year's growth is the legacy of the reflationary programme undertaken by the Government over the previous 18 months: it has still not shown itself to be "self-regenerating". The flow of orders to industry has remained all but unchanged (after seasonal adjustment) over the first seven months of this year. It is thanks to a lively flow of orders from overseas that the overall flow has not dwindled. The mood in industry has not improved, according to successive IFO tests, since last March, and companies' hopes for the future have been based increasingly on export markets.

Various factors can be blamed for the slowing down of the rate of recovery. Companies' have remained very cautious in their capital investment spending. In the first seven months total orders placed by Germans with the German capital goods industry was 8 per cent less in volume than the equivalent figure for 1975. This comparison is distorted, in that investment spending last year benefited from a programme of investment incentives. But the rate of orders in 1976 has also remained below that averaged in 1970—a disturbing fact, despite a 9 per cent *de facto* revaluation of the Mark against the rest of the world so far this year, this export success will continue to lead the Economics Ministry to expect 6 per cent real GNP growth in 1977.

The rise of exports has been more than matched by the rise of German imports. While in the first six months were up by 14 per cent, German imports were up by 21 per cent. In the three months that ended in July imports from Britain were up by 28 per cent, which suggests that the falling pound has benefited British price competitiveness usefully in the short term.

For the year as a whole the Economics Ministry predicts a trade surplus of DM3.5bn. (about \$340m.) less than the DM1.82bn of 1975, and that the current account surplus will fall from DM7.7bn to DM4.7bn. Given the continued difference between inflation rates in Germany and its most important trading partners, there is nothing in these figures to suggest that the Mark will halt the upward drift.

In addition to its monthly sounding of business opinion IFO has also carried out a survey of the longer term expectations in German industry. Where companies expected a 10 per cent increase in nominal turnover during 1976, they were looking for a 9 per cent rise in 1977, the emphasis once again being on export. Where their nominal gross investment was expected to be 2 per cent up this year (a real decline), it was expected to be up by 6 per cent next year. Companies reckoned that they would have shed 2.8 per cent of their labour force in 1976, and that they would hold workforces constant in 1977.

Profitability has nowhere near made up the decline it suffered in the first five years of this decade.

These projections of future workforces may, as IFO suggests, err on the side of caution. Nevertheless they raise employment yet again as the most important issue for the immediate future. The profitability of industry has increased markedly this year, helped by greater use of capacity and restraint in wage settlements. But industry has not felt moved to increase its capital investment as it did at times of economic recovery in the past.

The explanation is probably that profitability has nowhere near made up the decline it suffered in the first five years of this decade, and that employment of capacities is still not stretched. The problem is that the unions, which have the uncomfortable suspicion that modern German investment gets the risk of jobs as fast as it creates them, are being asked to wait another year to see if higher profit does indeed lead to more jobs. In the meantime they are urging new hiring instead of extra shifts—a surreptitious approach to a concept that is still taboo in growth orientated Germany, the shortening of working hours.

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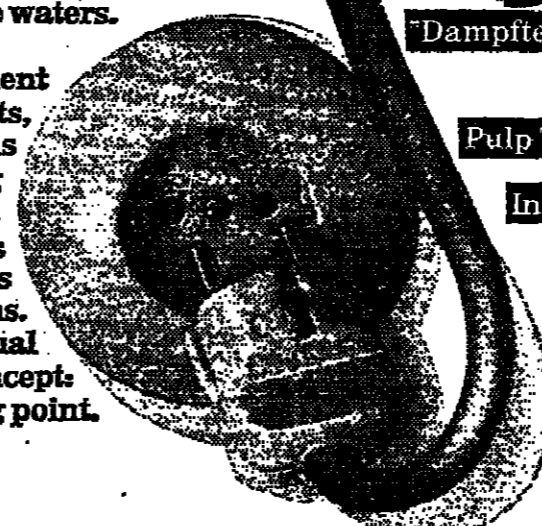
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مكازم التحليل

EUROPEAN NEWS

EC allows Rome to keep trade restrictions

BY ROBIN REEVES

BRUSSELS, Sept. 29.

EUROPEAN commission to planning to request similar action, he said. The Commission described the recent move in sterling as "foolish." Economically, there was no justification for them, he said. Hand in hand with the Commission's decision to allow the Italian authorities to extend their import deposit scheme was a timetable for their gradual elimination. The rate of deposit was to be reduced from the present 50 per cent of the value of the imported goods to 45 per cent on October 15. On November 30, the rate will go down to 40 per cent, on January 1 to 35 per cent, on February 1 to 30 per cent, on March 1 to 25 per cent, on April 1 to 20 per cent, and be abolished by April 15 next year. Mr. Haferkamp said that this progressive reduction would enable the Italian Government to

make necessary arrangements in the monetary field. Meanwhile, there had been an improvement in the Italian economic situation, he suggested. The cash deposit scheme had contributed to this, he admitted, by cutting excess liquidity by some 4,000bn. Lira. The Commission also gave its blessing to-day to a report setting medium-term economic objectives for EEC member countries aimed at producing convergence in the community economies. It calls for a halving in the rate of unemployment, to no more than two to three per cent on average in 1980, but says this will only be possible given an average annual growth in GNP of five per cent in the intervening period.

At the same time, the report insists that greater convergence in the community economies requires, as a minimum, the rate of price inflation to be brought down to no more than four to five per cent. Mr. Haferkamp emphasised that these targets would be very hard to achieve, and would require the full co-operation of management and trade unions.

He also revealed that the Commission would be bringing forward proposals soon along the lines of the Dutch plan for greater monetary co-operation within the EEC, but he gave no details.

Sterling crisis Page 13

Italy import curbs to be phased out

BY DOMINICK J. COYLE

ROME, Sept. 29.

A phased reduction, starting next month, in the import deposit scheme and a further easing of liquidity in the banking system are included as part of the economic recovery package of the minority government in Italy. The Finance Minister, Sir Giuseppe De Michelis, said that the package would be released in the next few days. It was always on the cards that Italy would seek approval from both the EEC and the IMF for a phased reduction in the import deposit scheme, in part to prevent a sudden escalation of imports at a seasonably unsatisfactory period of the trade cycle, but also to control the re-cycling into the commercial system of an inflationary value of artificially locked-out liquidity. Such a gradual elimination of the deposit scheme would have been official thinking at any time, but particularly now when the Lira is under renewed pressure, not only from the sterling backwash, but also because of a degree of nervousness and uncertainty in the market regarding the projected economic recovery package and the prospects of the minority Christian Democrat government in getting its measures through Parliament. There is also likely to be an early announcement, whether by the Prime Minister to-morrow or in a separate Ministerial statement, that some attempt is to be made to reduce the now staggering deficits of Italian local authorities and of some key state-sector enterprises.

French credit curbs

BY ROBERT MAUTHNER

PARIS, Sept. 29.

BANK of France to-day joined a series of new credit restrictions, which are intended to reinforce the Government's inflationary package and national monetary measures introduced last week. The new measures allow the rise in Bank Base Rates, the ratio for the commercial banks' compulsory reserves on loans has been set at 15 per cent of the total amount of credit granted, while small banks will be allowed to step up their loans by 8 per cent, and hire purchase companies by 10 per cent. The rate of expansion for short term export credits has been set at 12 per cent. The latest measures are in line with the Government's decision not to allow the money supply to increase by more than 12.5 per cent in 1977. Although they are by no means draconian, they will oblige companies to dig rather more deeply into their own pockets than in 1976, when the expansion of credit in bank loans was allowed to expand by 12 to 17 per cent.

General strike called for in Madrid

BY ROGER MATTHEWS

MADRID, Sept. 29.

GENERAL strike has been called in Madrid on Friday to protest at the murder of a young man during a demonstration in the centre of the city on Monday night. The student, who was known to have had no political affiliation, was buried this morning. There were small demonstrations in several points of the city at night and again this morning. In half a dozen large factories to the south of Madrid, workers stopped work for half an hour and held meetings to discuss the shootings. The university was at a standstill, with flags on faculty buildings at half mast. Now widely accepted that the killing was the work of an extreme Right-wing faction, members of which are invariably sent to Left-wing demonstrations and have in the past been to cooperate openly with

the police. The morning newspaper El Pais to-day accused the extreme right of the shooting and emphasised the impunity with which such groups have been operating. In the past 18 months over 150 shootings, bombings and other attacks on property have been put down to the extreme right without the police having yet managed to bring one person to trial. Although the call for a Madrid general strike has been made by the local committee of the Democratic Coordination, which brings together over a dozen political organisations, it is unlikely to have anything like the effect of the almost total stoppage in the Basque provinces on Monday. The president of the National Council of Employers put the cost of lost production in the Basque provinces on Monday at 4.4bn. (£55m.) and warned that an increasing number of factories were threatened with closure. Other calls for urgent Government action to stem the slide in the economy have come from important regional bodies in Barcelona and in Zaragoza.

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Bid to save Irish economic talks

By Our Own Correspondent

DUBLIN, Sept. 29.

IN A BID to save the vital talks on long-term social and economic strategy from being strangled at birth, the Irish Prime Minister, Mr. Liam Cosgrave, has written to the general secretary of the Irish Congress of Trade Unions outlining the position on Government representation at the talks.

This follows a warning from the unions that they could pull out of the talks if the Government were not more adequately represented. The unions' complaint was that only one minister—Mr. O'Leary, the Minister for Labour—would represent the Government at talks which the whole range of social, industrial and economic policies.

In his letter to Mr. Ruairi Roberts, Mr. Cosgrave said that Mr. O'Leary would be reporting directly to him. In areas which were not Mr. O'Leary's direct responsibility he would naturally maintain close contact with the other Ministers concerned and he would have full Government authority throughout the discussions.

Mr. Cosgrave said that the presence of other Ministers could be arranged where a particular departmental responsibility was being discussed and if working parties were set up appropriate Ministers could take part.

GREEK OIL CONTRACTS

Communists urge takeover

BY OUR OWN CORRESPONDENT

ATHENS, Sept. 29.

THE GREEK Communist Party to-day called on the Government to cancel all oil contracts concluded during the military dictatorship, and pursue nationalisation of the oil sector. A party statement listed the contracts, with Greek ship-owner Ioannis Latsis, the Vardineyannis group, Esso Pappas, and a consortium composed of BP, Shell and Mobil.

The statement said the Government should assume the procurement and transport of crude oil, while the operation of an oil refinery controlled by shipping magnate Stavros Niarchos, in which the state has a one-third stake, should be taken over by a public corporation.

This follows an open rift between the Government and the Niarchos group concerning a 1970 contract regulating the operation of the oil refinery outside Athens.

Both sides have resorted to international arbitration to settle their differences, and have accepted M. Pierre Cavin, president of the Swiss Federal Court in Geneva, as the chief arbitrator. The Niarchos Group, which owns the other two-thirds of the refinery, has already accused the Government of obstructing its economic scene for decades. The fund with Niarchos comes only a few weeks after the Government has taken control of the business empire of banker-industrialist Stratis Andreadis.

Coalition in Finland excludes the Left

By Lance Keyworth

HELSINKI, Sept. 29.

PRESIDENT Urho Kekkonen appointed to-day a new three-party minority coalition Cabinet headed by Mr. Martti Miettunen. Both the Prime Minister and the three parties were in the last Government. The other two former coalition partners, the Social Democrats and Communists, have now joined the opposition.

The new Government has promised to present the long-awaited 1977 Budget Bill to Parliament as soon as possible, which means in about two weeks. It has also confirmed that it will be an economy Budget.

The brief Government programme is roundly worded. Fighting inflation is listed as the central aim of economic policy. The Government has also repeated the promise made by its predecessor that tax scales in 1977 will be adjusted to take account of inflation, to obviate unfair tax burdens on wage earners. The temporary taxes imposed in the current year will not be continued next year.

An interesting appointment in the new Government is the creation of a portfolio of Economics and Cabinet Office, which goes to Mr. Ahti Karjalainen, who is also made Deputy Prime Minister.

Norway opposition looks north

BY FAY GJETER

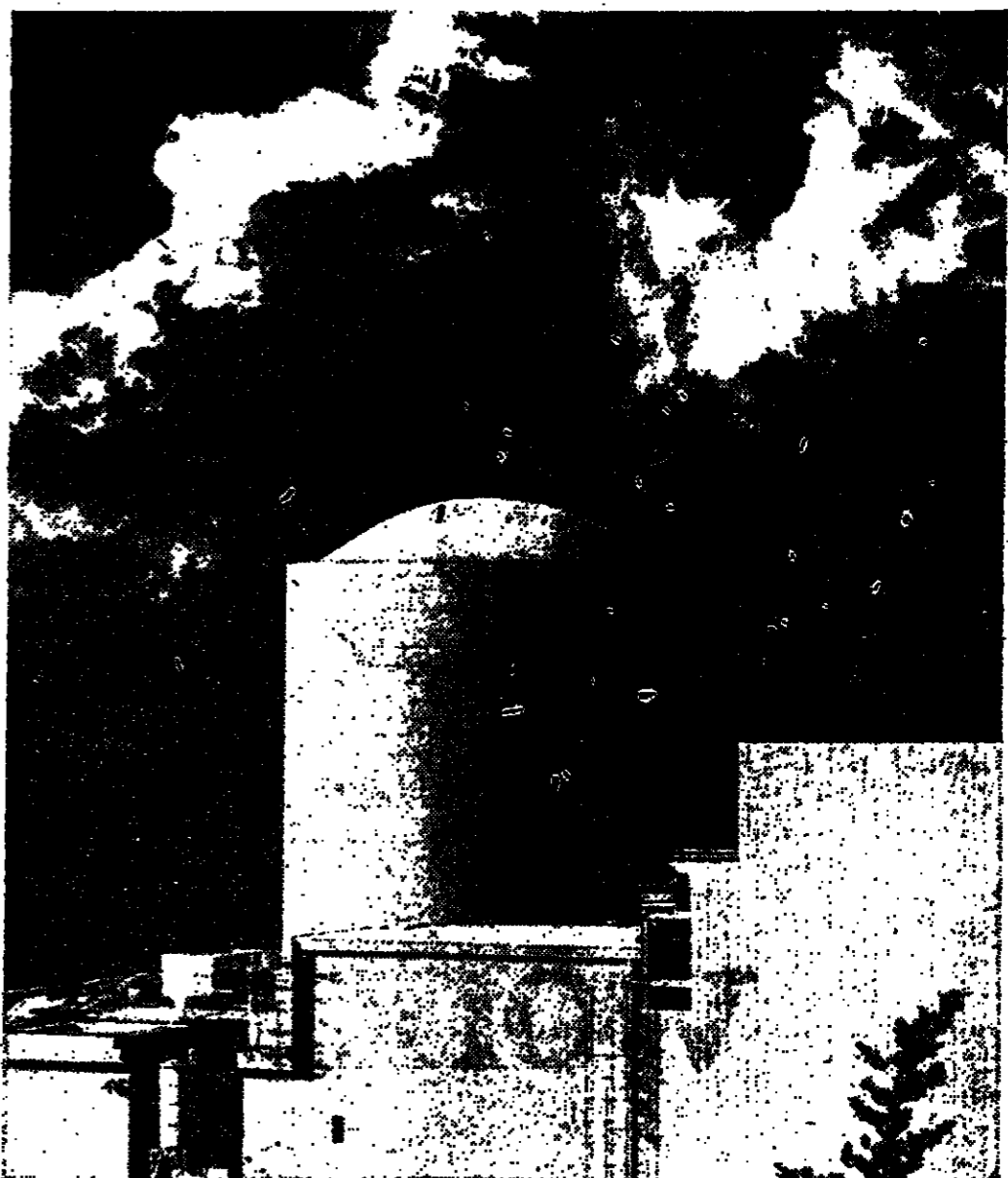
OSLO, Sept. 29.

PLANS TO open Norway's northern waters for oil exploration in 1978 are "irresponsible," according to the opposition Centre (Farmers) Party.

In its draft manifesto for the 1977 parliamentary elections, the party, which is the sister party to the successful Swedish Centre Party of Mr. Thorbjørn Fälldin—suggests that if it gets to

power in a coalition next year it will seek to postpone the start of northern drilling, to allow additional time for research into the effect of oil activities on the rich northern fishing grounds.

The ruling Labour Party has indicated that test drilling north of the 62nd Parallel will be allowed on a limited scale from the summer of 1978, with the participation of foreign oil companies. The Centre Party's programme also opposes the building of nuclear power plants in Norway and commits the party to supporting stabilisation of energy use by 1990 and an end to the expansion of Norway's power-intensive metal smelting industries.



Sweetness and Light

Life may become a little sweeter for people when the new Albion Sugar Company plant opens later this year at Tilbury, a plant built for them by Wimpey. And in Korea, Wimpey are bringing a little light, by helping in the construction of the country's first commercial atomic power station at Ko-Ri.

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Know how

Left: Albion Sugar Plant, Tilbury. Built for the Albion Sugar Company.
Right: Ko-Ri Atomic Power Station Korea. Built for the Korea Electric Company. A joint venture with GEC Turbine Generators Limited as Contractors, with Westinghouse Electric International Company.

AMERICAN NEWS

House rejects offshore Bill

By Jurek Martin

WASHINGTON, Sept. 28. THE HOUSE OF Representatives yesterday rejected by the narrowest of margins a Bill that would have imposed greater state and federal regulations over oil and gas exploration off the U.S. coastline.

The House vote—by 198 to 194—technically had the effect of sending the Bill back to a joint conference committee of both chambers of Congress for reconsideration. However, with Congress due to adjourn for the year this weekend, the chances of its re-emerging are thought to be small.

In many respects the Bill had presented a classic confrontation between the environmentalists, who sponsored it, and the oil industry, whose opposition was expressed not only in conventional lobbying but in full page advertisements in U.S. newspapers. The White House had indicated that if the Bill had passed, the President would have exercised his veto.

The oil industry had objected to the Bill's provisions that would have established a federally sponsored exploratory drilling programme. Some Republican Congressmen argued that this would have transferred at least a good proportion of the costs of exploration from the oil industry to the Government.

It also called for new methods of bidding for offshore leases and would have given the states more control over oil and gas activities. It was envisaged that more stringent environmental safeguards would be applied to exploration on the outer continental shelf.

However, the environmentalists were able to savour one notable legislative success yesterday when Congress sent to President Ford for his signature the so-called Toxic Substances Control Bill.

UAW threatens to call strike against John Deere

BY JAY PALMER

NEW YORK, Sept. 28.

THE U.S. United Auto Workers Union has threatened to call a nationwide strike against John Deere, the world's largest manufacturer of agricultural machinery, as from next Friday unless a new three-year labour contract is reached.

The UAW's uncompromising strike warning came as some surprise. Up to now it had been generally expected that the union would be willing to work past the existing contract's expiry date and hold off any strike until it had reached a settlement with Ford Motor.

Deere has been named the UAW's "target" company for negotiations with the agricultural and construction industry.

In exactly the same way that Ford was chosen to represent the U.S. car makers. In each case the UAW hopes, by striking the target company, to win concessions that will be accepted by all other companies.

The UAW's strike against Ford is now starting its third week and while both sides report some progress, no immediate end to the dispute is yet in sight. Ford, it is assumed, is taking a relatively hard line in the hope that rank and file worker dissatisfaction with the stoppage will force the UAW's negotiators to moderate some of their demands.

Aside from representing the car workers, the UAW's membership also extends into the production of agricultural and construction machinery. The coming confrontation with Deere is part of the union's attempt to win contract concessions for its 122,000 workers in these two industries.

The union's contracts with both the car industry and the agricultural and construction industries expire at just about the same time. In the past economic provisions won in the car talks have often been used by the union with the equipment makers but, this time round, there is some speculation that this might work the other way round.

SEC plans merger disclosure

LARGE companies planning mergers could give shareholders a short version of their registration statements under rule changes proposed by the Securities and Exchange Commission AP-DJ reports from Washington.

More detailed information still would be available to the shareholders on request.

The abbreviated "part I" versions would describe the merger plan and give "very brief statements" about the business and certain material legal proceedings of the parties involved. The more detailed "part II" would give fuller descriptions of the business, legal proceedings, management and financial statements.

The SEC described the proposal as an "experiment" limited to exchange-listed companies able to meet a minimum earnings test.

Peru extends state of emergency

Peru's military Government yesterday extended the country-wide State of Emergency for a further 30 days. Reuter reports from Lima. The State of Emergency was declared on July 1 to quell rioting which flared up after new economic austerity measures announced by the Government sent prices of food and consumer goods soaring.

Jamaican protest

Jamaica delivered a formal protest to the U.S. embassy against the U.S. decision to triple sugar import duties, Tourism and Foreign Trade Minister, Mr. P. J. Patterson, said, AP-DJ reports from Kingston. Announcing that a formal protest will be made by Caribbean and Latin American sugar producing countries, Mr. Patterson said that last week's decision by the U.S. to increase sugar duties contradicts the purpose of establishing a new international economic order aimed at bridging the gap between developed and developing nations.

Dome seeking more drilling time in Beaufort Sea

CALGARY, Sept. 28.

DOMO PETROLEUM confirmed the company said the talks with the Federal Department of Indian and Northern Affairs on seeking more drilling time at the Dome and Northern Trough sites in the Beaufort Sea. However, it was not immediately known if the company has formally applied to the Government for an extension.

Yesterday, a spokesman for the Department said Dome Petroleum had indicated that it wanted an extension of drilling time. The Government had initially said September 15 as the deadline for completing Dome's deep drilling in the current season. For two wells, however, the deadline was extended to September 25. The deadlines had been set because of environmental concerns and to ensure the Arctic ice pack did not trap the drill ships.

In its announcement to-day, AP-DJ

Nixon maintains he was innocent

By Jurek Martin

WASHINGTON, Sept. 28.

FORMER President Richard Nixon still believes he was innocent of any crime in the Watergate affair and contends that it was used by his political opponents to force him out of office.

The New York Times this morning quoted a publishing source in the U.S. and Europe who have seen segments of his still uncompleted memoirs, which he hopes to finish by January next year. The Times has bought worldwide newspaper and magazine serialisation rights to the memoirs.

According to the New York Times, Mr. Nixon expresses regret that he did not personally oversee his aides more closely in the Watergate break-in and the subsequent cover-up. But he claims that he knew very little about what was going on. He acknowledges an error of judgment, but denies any responsibility for the scandal.

The evidence of the White House tapes and the testimony of those intimately involved is largely contrary to Mr. Nixon's contention. If indeed he still holds it.

The memoirs reportedly maintain that Mr. Nixon only resigned to save the nation from the six-month ordeal of an impeachment trial. Much of the transcript is apparently devoted to a detailed account of his resignation, his policy initiatives as President, with Mr. Nixon claiming much of the credit for himself rather than according it to Mr. Henry Kissinger.

Mr. Nixon's protestations of innocence in front of a country which largely believes him guilty will not help President Ford, who pardoned him. The damage may not be too great to Mr. Ford—since the memoirs will not be published until next year, after the election—but Mr. Ford's probity is currently under increasing fire and any avowal of the Nixon pardon is unlikely to benefit his electoral chances.

Bahamas assurance on tax

BY NICKY KELLY

NASSAU, Sept. 28.

THE BAHAMAS Government has assured American authorities that it will cooperate in any legitimate effort to obtain information on U.S. citizens using Bahamian bank accounts to avoid U.S. taxes.

U.S. taxes, U.S. Ambassador Seymour Weiss has confirmed. The Bahamas has strongly protested that earlier attempt by the U.S. Internal Revenue Service (IRS) to breach bank duty, discounted reports that the Government did not intend to break Bahamian bank secrecy laws but that there was prima facie evidence that some U.S. citizens had been secreted taxable assets in the Bahamas.

It was "entirely possible" that the U.S. might seek a tax treaty between the two countries, Mr. Weiss added. IRS investigation of the secret accounts has centred on Castle Bank and Trust, whose deputy director Mr. Michael Wolstencroft was indicted in Ohio this month.

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CARICOM

THE countries of the Caribbean Community and Common Market (CARICOM) are launching the most ambitious joint project they have undertaken since the Community was launched three years ago. They are initiating the \$20m. Caribbean Food Corporation (CFC) which will be the first multi-national producer under the Caricom umbrella.

All member countries have signed the agreement establishing the CFC which when it is launched to-day will take over direct responsibility for a \$242m. livestock development programme, and for a scheme to establish large-scale food farms in member countries.

The nominal capital of the Corporation is \$2m, although the 12 contributing countries have been required to pay up only half of this amount for a start. Three of the larger community members—Jamaica, Guyana, and Trinidad and Tobago—will each hold 25 per cent of the shares of the Corporation. The remainder will be split between Barbados, the other islands of the eastern Caribbean, and Belize.

Malnutrition

When agreement on the establishment of the CFC was reached at a meeting in St. Kitts last December, the Heads of Government of the Caribbean Community saw the venture as the basis from which they could successfully attack the annual \$200m. food import bill of the region and help to eradicate malnutrition among the 45m people of the Commonwealth Caribbean.

The livestock development programme which the CFC will undertake on behalf of the Community is to be based on cattle, sheep and goat herds. Poultry and fisheries development will be high on the list of priorities. The programme is to last 10 years, and cover 1m. acres in member countries, while providing 25,000 head of both food and related agro-industrial operations.

The livestock plan is intended to increase regional beef production to 250m. annually, and the output of dairy products to about 21m. New livestock herds are to be developed on ranches in Guyana and Belize, the two Caricom members with large unused tracts of land. They will be supplied with seed stock from member countries where possible, and it is planned to supply 25,000 head of hybrid Jamaica Red and Jamaica Black cattle, valued at about \$15m. to the livestock programme.

The same practice will be applied to sheep, goat and poultry raising, although it is expected that sources outside the region will have to be used to supply high grade stock. Fisheries development will concentrate first on the grounds off the Guyana coast, thought to be one of the best relatively unexploited areas in the Caribbean. Experts from the Canadian International Development Agency will be employed to identify the best fishing grounds, to recommend types of equipment to be used, and on how intensively they believe the grounds should be fished.

An attempt will be made to coordinate that work with the development of large, modernised fishing fleets by some of the Caricom member countries. When the CFC starts operating from its headquarters in Trinidad this week, it will assume re-

Big plans for the Caribbean

BY CANUTE JAMES, KINGSTON CORRESPONDENT

responsibility for a multinational food farm project which is already under way in the region. The aim is to set up large-scale farms to produce basic foods for the region, using central purchasing and sales organisation, with leasehold farmers responsible on each farm to a central management.

One such farm is already operating in Guyana, managed by the Guyanese Government, Trinidad and Tobago, and St. Kitts-Nevis. The farm produces maize, soy beans and a variety of peas.

The other food farm project is to be in the mainland British colony of Belize and is to be operated jointly with the Jamaican Government. It will produce the same combination of crops.

While the food farms and the livestock project will be the first priority for the CFC, it will be required to take on added responsibilities within a few months. One of these will be for the development of intensive farming of vegetables and other crops in the smaller islands of the eastern Caribbean.

The corporation will be a bulk purchaser of animal feed and fertilisers on behalf of the Community countries. Sources are being examined to meet initial needs of about 115 tons of sulphate of ammonia and 35,000 tons of mixed fertilisers.

The initiative which the Caribbean Community is taking in food production is significant, since the Community's activities during the past three years have centred on settling questions of intra-regional trade. The Community's secretary-general, Mr. Alister McIntyre of Grenada, believes that the latest effort will also bring the Community in direct advantages.

Broad masses

"Once we get a programme going we shall be seeking direct participation of the broad masses of the population with their participation in food," he says.

The urgency of doing something about the food supply is underlined by figures from the Caribbean Food and Nutrition Survey which shows that between 60,000 and 80,000 young children in Caricom countries suffer from some degree of malnutrition, and that 6,000 are chronically undernourished.

The importance which the Caricom countries attach to the work of the Caribbean Food Corporation, and the benefits they are expecting from its success, is reflected in the fact that it is the first item on which the political leaders of the region have reached agreement without extensive argument about which country will be profiting at the others' expense.

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مكتبة الكحل

OVERSEAS NEWS

Refinery
workers
strike in
S Wales

400 striking oil refinery workers voted to continue their strike which shut down three of South Wales' four refineries for a week. The strike is over an employers' offer to change the Austro-Workers Union (AWU) terms at the refineries to a wage award pay basis. The union will be to their disadvantage as State pay rates are higher.

Two American companies are expected to take a softer stand towards the oil companies. The foreign oil companies have been given to November 15 by the Malaysian Prime Minister to reach substantial agreement with Petronas, or face the prospect of nationalisation with adequate compensation.

Israeli power
The Israeli Atomic Energy Commission is to set up a new authority to agree to the site.

Iran rail contract
The Public Sector Projects and General Contracting Corporation has won a \$25m (£4.5m) contract to supply 250 railway cars, 20 passenger coaches and 10 parts, writes K. K. Sharma, New Delhi.

offer studied
French offer to establish a new plant in India to manufacture the Mirage F1 fighter, lies and civil aircraft is being studied by the Government but early response is unlikely, says a New Delhi correspondent.

oil output falls
The oil output of the United Kingdom fell 0.3 per cent in July, when it rose 1.2 per cent in June, the Ministry of International Trade and Industry said yesterday, after reports from Tokyo.

all to trim surpluses
The Japanese Government yesterday urged companies to trim surpluses with continued favourable trade conditions. The Japanese Government said yesterday, after reports from Tokyo.

ganda aircraft
India has returned 10 Israeli training aircraft after running out of spare parts for them, newspaper Maariv reported yesterday, according to Reuters. The report said the aircraft were handed back shortly after last July's Israeli raid on Gaza's Entebbe Airport.

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The sugar crop cut 36/37
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Oil compromise likely as
Petronas chief resigns

BY WONG SULONG

KUALA LUMPUR, Sept. 29.

MALAYSIA'S FINANCE Minister, Tengku Razaleigh, today announced his resignation from his controversial post as head of the national oil company, Petronas, a move widely seen as paving the way for an amicable compromise with foreign oil companies on production sharing.

The oil negotiations are now taken over by the new Petronas chief, Tan Sri Kadir Samsudin (the retiring Government's Chief Secretary), and Raja Mohar, head of the Petroleum Advisory Council. Both these men are expected to take a softer stand towards the oil companies.

The foreign oil companies have been given to November 15 by the Malaysian Prime Minister to reach substantial agreement with Petronas, or face the prospect of nationalisation with adequate compensation.

In announcing his resignation, Razaleigh also expressed dissatisfaction over the progress of the current talks. He said only Shell had shown willingness to come to terms. An agreement should be reached fairly soon with Shell which produces 80 per cent of Malaysia's daily oil output of 165,000 barrels.

The Government is also likely to repeal some of the controversial aspects of the Petroleum Development Act at the coming Parliamentary session in November to ease uneasiness among the foreign oil and business community.

AP-DJ adds: Razaleigh was the chief architect of the Petroleum Development Act at the coming Parliamentary session in November to ease uneasiness among the foreign oil and business community.

Despite the wide support by Malaysians for the Act, Prime Minister Hussein Onn said last week the act would eventually be amended, perhaps doing away with the management shares.

The amendment would be aimed at dispelling the fears of foreign investors vital to the success of the third Malaysia plan.

Our Malaysia correspondent adds: The semi-Government-owned Malaysian International Shipping Corporation (MISC) has publicly voiced its concern for the first time over the delay in building the liquid natural gas project in Sarawak.

MISC's chairman, Mr. Robert Knok, said he was "acutely concerned" that the delay would be a massive financial blow to the corporation, which had ordered five LNG tankers for the purpose of transporting liquefied natural gas from the Sarawak field to Japan.

The tankers ordered from a French shipyard at the cost of U.S.\$15m. are scheduled to be delivered between 1979 and 1982, but present indications show that the LNG project would not be ready until after 1980. MISC is now looking into the possibility of chartering out the tankers possibly to Indonesia, Libya or Algeria.

Ten year sentence for David Rabkin
CAPE TOWN, Sept. 29.

British journalist David Rabkin was today sentenced to 10 years' imprisonment for offences under South Africa's Terrorism and Internal Security Acts.

After Judge Marius Diermont had described his offences as reprehensible, Mr. Rabkin, who is 35, gave a clenched fist Black Power salute in the Cape Town Supreme Court.

A South African university lecturer, Mr. Jeremy Cronin, was sentenced to seven years' jail. Mr. Rabkin's eight-months pregnant wife, Susan, received a one-year jail sentence, of which 11 months were conditionally suspended. She was convicted under the Internal Security Act.

Judge Diermont said he would ask prison authorities to admit Mrs. Rabkin to a maternity home if it appeared her child would be born before her month-long jail term had expired.

Mr. Rabkin and Mr. Cronin both pleaded guilty to charges under the Internal Security and Terrorism Acts. Mrs. Rabkin admitted charges under the Internal Security Act but denied charges under the Terrorism Act of which she was cleared.

They were alleged to have conspired with members of banned organisations and to have distributed pamphlets to further the aims of the organisations, which included the South African Communist Party and the African National Congress (ANC).

Giving judgment yesterday, Judge Diermont said the pamphlets urged blacks to become freedom fighters. "Violence which would lead to insurance is advocated again and again."

In his judgment yesterday, Judge Diermont recalled evidence that police had found materials in the possession of Mr. Rabkin and Mr. Cronin which could be used to make "bucket bombs" for throwing at police.

Mr. Rabkin, who was born in South Africa, but emigrated to Britain in 1962, said he had accepted the assurance of his defence counsel that she would leave South Africa after her release from prison. He told Mrs. Rabkin: "You are an unwelcome visitor in this country."

Turning to Mr. Rabkin, the judge said: "I can find no good reason to deal leniently with you. Your crime is aggravated by the fact that you carried on your subversive activities for a period of over three years."

Japan to hand back MiG
TOKYO, Sept. 29.

JAPAN TODAY told the Soviet Foreign Minister, Gennadiy Gromyko, that it would return to the Soviet Union the top-secret MiG25 fighter jet shot down by a Japanese fighter on September 26.

The sources said the Japanese decision was passed to Ambassador Dmitriy Polyanskiy at the Foreign Ministry by Mr. Nasatada Tachibana, Director-General of European and Oceanic Affairs.

The meeting took place only a few hours after a 75-minute meeting at the UN headquarters in New York between Japanese Foreign Minister Zenaro Kosaka and his Soviet counterpart, Andrei Gromyko.

Prime Minister Takeo Miki told the Upper House of the Diet (Parliament) the two countries had agreed to begin negotiations through diplomatic channels on the return of the aircraft.

The Foreign Ministry said it had given the Soviet embassy a letter rebutting a Russian charge that the MiG pilot was taken to asylum in the United States.

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Tunisia
re-equips
its defence
forces

By Tanya Matthews

TUNIS, Sept. 29.

THE TUNISIAN Secretary of State for Defence, Mr. Ahmad Bannour, has left Tunis for Austria to "multiply the exchanges of experience and strengthen ties between the armed forces of the two countries."

Mr. Bannour, made this declaration before leaving for Vienna.

Tunisia is currently modernising its armed forces to ensure the defence and security of the country. With one of the smallest armies in Africa, which in the years following the independence of 1956 had been haphazardly equipped by the U.S. and a number of European countries, Tunisia is now facing the problem that most of its weaponry has become obsolete.

According to well informed sources, Tunisia is re-equipping its armed forces, especially with defensive equipment. Austria has recently sold a number of its latest tanks to Tunisia. While in Vienna, Mr. Bannour is likely to raise the question of supplying Tunisia with small arms and ammunition as well as discussing the joint Tunisian-Austrian project to build in Tunisia a plant for the production of small arms.

Last week, a British Ministry of Defence delegation visited Tunis. The visit is understood to have been connected with the possible sale of British military equipment to Tunisia. Britain has already supplied the Tunisian navy with two patrol boats and there need, it is believed, for some more.

The visit followed a recent Pentagon announcement that the U.S. intends to sell a \$35m. air defence missile system to the Tunisian Government.

Last year, Tunisia concluded an agreement with U.S. to buy 12 Northrop F-5E fighters armed with sidewinder and Maverick missiles.

KENYA'S WATER PLANS

A tap in every
Kenyan house

BY JOHN WORRALL, NAIROBI CORRESPONDENT

HUNDREDS of thousands of rural families in Kenya still send their women down to a muddy, often drying up river, to collect water. But some villages have the miracle of piped water, and the village tap is taking the place of the river bank as the social meeting place.

These are the first signs of a revolution in Kenya, the beginnings of an ambitious campaign to bring water to every family in the country by AD 2000. It is not only a race against drought and a creeping desert, moving southwards, but also against a staggering population increase of about 3.5 per cent each year, one of the largest in the world.

Expensive
Installing village taps, and all it implies is a very expensive matter, running into millions of pounds. With big, new irrigation schemes, city water schemes, boreholes, sewage, range water for livestock, and others, it calls for an investment of close on £100m. in the water supply. A Ministry of Water Development is co-ordinating the whole effort. Large sums in overseas aid are involved, coming from the World Bank, Britain, Scandinavia, the Netherlands, West Germany, and Canada. Much of the expertise and equipment is coming from British sources.

Four main programmes are bringing water to the villages and settlements. One, consisting of 76 projects, has been nearly completed at a cost of £215m. The second is well under way, comprising 31 projects and is costing £447m. A third is in the design stage and is expected to cost £18m. The fourth, with a

completion target for 1978, is costing about £31m. and comprises 101 projects. These programmes will bring some 3m. villages within reach of the first piped water they have ever had.

At the same time the Kenya Government is encouraging many "karambees" (self-help) projects, in which villagers themselves collect money, dig trenches and do the other manual work, while the Government provides pipes, valves, pumps and technical skills. The biggest self help project is at Kandara. When finished next year, it will take water to more than 200,000 villagers in the area. Some 8,300 miles of pipe is being laid in trenches dug by the local people. They have finished about 70 per cent of the work. About 280 tons of PVC pressure piping is being supplied by Wetherill Industrial Plastics of Wolverhampton. A Kenyan minister toured Europe collecting money for the scheme.

Kenya's two growing cities are high on the list for improved water supply schemes. The Sabaki River scheme for Mombasa entails taking from the river 12m. gallons of water a day, treating it, and pumping it through a 7.5-mile pipeline to the city and surrounding coastal areas. The Nairobi water supply is being improved at a cost of some £50m. It involves the construction of a new dam, extending the treatment works, and a pumping station, the work being carried out by a British company, Howard Humphreys and Sons (EA).

Seven large irrigation schemes are being developed by the National Irrigation Board, the largest being at Bura, where cotton, maize, groundnuts, rice, and vegetables are to be grown on 35,000 acres, with water

from the Tana River. The scheme is designed to support more than 10,000 tenant families and is to cost about £315m. Major works include a diversion weir, a main canal, drainage system, a diversionary roads, an afforestation programme, and cotton ginneries. Loans are being negotiated abroad for the project.

Britain is sponsoring a feasibility study for the integrated irrigation and hydro-electric potential of the Upper Tana River, which has been completed by Watermeyer, Legge, Piesold and Uhlmann.

Maximum
Kenya's principle in the rural areas, and wherever possible elsewhere, is to use men rather than machines to do the trenching and land preparation for water schemes. Mixers, vibrators, trucks, and cranes are held by the Ministry or its contractors and move from one site to another. They are worked to the maximum.

Most of the PVC pipes used are manufactured locally, but some ductile iron and steel pipes are imported from Britain, Singapore, and Germany. Pumps and engines are imported from Britain and India.

A market report on water development in Kenya, issued by the British High Commission in Nairobi, points out that many items of equipment are tied to aid, but there is a market in these big projects for equipment and machinery, pipes of all textures and sizes, for fittings, and a good market for adaptable package water treatment plant for simple, trouble-free maintenance.

Kenya Show Page 43

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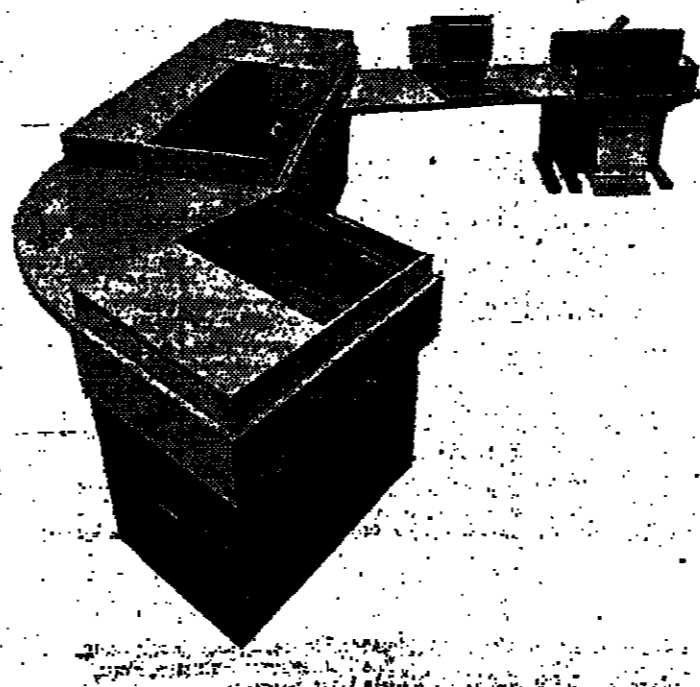
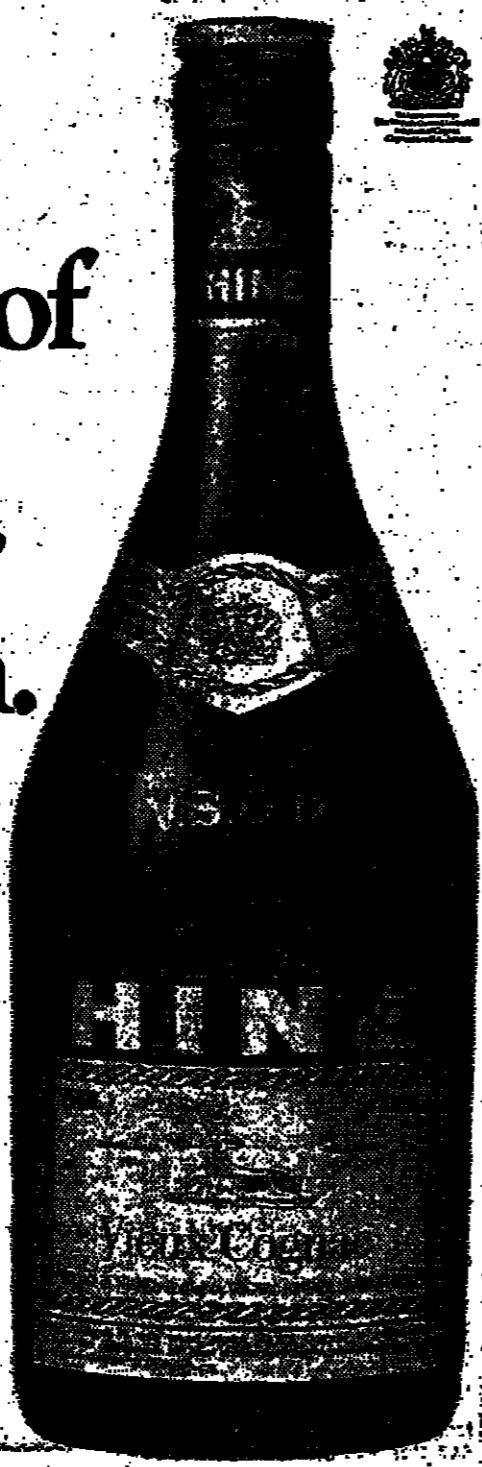
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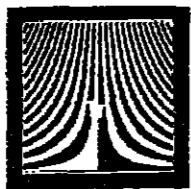
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS Key STC plants advance

FORCED by developing telephone exchange technology and recent Post Office ordering reductions to close its East Kilbride electromechanical switching plant, STC's interests north of the border now centre on Exacta Circuits in Selkirk and Galashiels.

The company, founded in 1962, was acquired by STC only two years ago when it was realised that ITT had no modern facility in which to mass produce the printed boards needed for the new TXE4 reed-electronic exchange. In only two years the percentage that this work is of the total Exacta throughput has risen to about 50 per cent, and the total company turnover is now over £2.5m.—about six per cent of the total U.K. market.

Options open

But sensing perhaps that the present national economic condition may adversely affect even TXE4 orders from the P.O., Exacta is taking care to keep its computer, and business equipment options fully open. It can in fact, volume manufacture any kind of professional quality board and is now also able to make microwave components using a newly developed printed/bonded package. The company also has full military ability, accounting for about 1 of its non-TXE4 turnover.

There are two plants: at Selkirk (220 people) and at Galashiels, now devoted to TXE4 (35 people)—a highly automated purpose-built unit that went on stream in 1975.

Starting point for most of the work is the customer's photograph, although a busy design unit will produce the layout from electrical diagrams.



Automatic gold plating of edge connectors on TXE 'phone exchange boards, part of a firm expansion at Exacta Circuits to meet an expected 40 per cent. increase in business in 1977.

After some doctored to 60 customers, is producing the negative for production, drilling paper tapes are made (using a co-ordinate unit) for use on the numerically controlled drilling machines. Photoprinting or silkscreen techniques are used, depending on volume/land-spacing factors. Electroless and electroplating lines are largely automatic and there is a conveyorised ink wash-off and etching unit.

Virtually all of the more advanced equipment has been imported from the U.S. The Excellon Mark 3 NC drill is particularly interesting in that the front of the nine-inch thick solid granite bed to discard a drill and pick up another of different size from a nest, unaided by the operator.

Very accurately controlled presses lay up the printed laminations for the multi-layer boards: the record is 22 layers. For an undisclosed military contract. The company, which has some

ICI claims to have solved the problem with the introduction of its Flofoil system. Heart of the system is the coalescing media. Small oil droplets in the 1 to 60 micron range are the ones that escape other methods but are captured by Flofoil.

The filter cartridge is a sandwich composed of firstly a porous material (for example, alumina fibres with a surface area 150 square metres/gm) which causes the droplets to coalesce, into sizes large enough to float to the surface and be drawn off. To prevent droplets breaking up again the cartridge has a second layer comprised of synthetic epitropic fibre which is highly hydrophobic and oleophilic.

Applications range from ships' bilge water, to general engineering and oil refineries. To remove free oil from the effluent of a 100,000 barrels/day refinery, ICI estimates a Flofoil installation with a throughput of 100 cubic metres/hour, costing £80,000, would be required. Running costs for the system are said to be from 2 to 10p per cubic metre depending on oil removal rate required.

Details from Imperial Chemical Industries, Pollution Control Systems, PO Box 15, Hyde, Cheshire, SK14 4EJ (061-958 4000).

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● POLLUTION

Removes oil droplets from water

ALTHOUGH THERE are approved methods for removing free (as opposed to soluble) oils from water these cannot reduce the free oil content much below 25 ppm. This sort of level will not comply with the increasingly stringent regulations for oil-polluted effluent, such as the 15 ppm maximum up to 12 miles offshore required by the U.S. Coastguard.

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● COMMUNICATIONS

North Sea network shapes up

ANOTHER firm worth of Marconi tropospheric scatter equipment has been ordered by the British Post Office for use in the communications network serving oil production platforms in the North Sea.

Under the terms of two contracts placed with Marconi Communications Systems a GEC-Marconi Electronics company, two new stations on South Shetland are to be equipped with tropo antennas, transmitters, receivers and a full range of ancillary equipment. This follows the opening in January of the Post Office's first North Sea tropo-based communications system which linked the Beryl field into the U.K.'s national and international telecommunications circuits via a station on South Shetland and a relay to Fraserburgh, Aberdeenshire.

This particular system, which will also serve the Frigg Field, uses some 11km of Marconi tropo equipment at the shore stations. Two further stations are needed—one to serve the Ninian and Heather fields and the other to serve the Thistle and Cormorant fields. These will form an extension to the present South Shetland station and will be remotely operated from the existing control centre.

Both will be equipped with the most recent Marconi 1 kw equipment operating in the 2 GHz band. This, the Marconi type H312/H372 dual transmitter and quadrupole diversity equipment, will carry 72 voice channels initially. It is capable of providing 132.

Optical link could speed 'see phone'

BICC AND Plessey have disclosed the existence of a complete optical fibre transmission system installed in Post Office premises. For the first time, valuable practical experience of such systems under field conditions.

This system transmits a Confravision signal over an optical fibre cable made by BICC Telecommunications Cables. The cable has been installed, with the assistance of the Post Office, in existing ducts in the City of London where duct space is at a premium and the small size of the cable a great advantage.

It terminates in the Confravision studio in the P.O. Telecommunications Headquarters in Gresham Street, where Plessey terminal equipment converts the conventional electronic signals into optical form suitable for transmission over the fibre. This conversion process utilises a high-radiance light emitting diode, especially developed by Plessey Group's Allen Clark Research Laboratories.

While this particular system is being used to carry TV signals for Confravision, other develop-

ment work by BICC and Plessey covers many other optical fibre applications for communication. The optical fibre used by BICC is made by the doped-deposited silica process patented by Corning Glass Works of the U.S., with whom BICC and Plessey have a technical agreement since 1973.

The fibres are contained within two cavities arranged in the cable to lie on the neutral axis between two flanking steel wires. These provide the longitudinal strength to permit the cable to be installed by conventional techniques in standard cable ducts. The sheath of the cable is black polyethylene. The small size of the cable makes very efficient use of duct space.

The significance of the Gresham Street installation is that it demonstrates the feasibility of 'introducing' optical fibre systems into the congested underground cable network. Post Office tests confirm that the performance of the link meets the international CCTV requirements. The 1.8 km length of fibre has an attenuation (including losses at joints) of only 8db.

As a result of this work BICC and Plessey believe they have made a major step towards the commercial exploitation of optical fibre systems.

BICC and Plessey, Presco, Merseyside L34 5SZ 051 458 6571.

Approval on phone-watch equipment

POST OFFICE approval for connection to PABX systems has been granted on the TDA (traffic data analyser) marketed in Britain by InterScan.

Already specified by a number of U.K. organisations, the TDA system was originally designed and developed to the specifications of the Government Telecommunications Agency of the Federal Canadian Government and was then offered as a system for commercial users. It is now the most widely used system in North America with over 150 installations and is also standard equipment with many of the Bell system telephone companies.

The equipment was recently described in Technical Page and has been found that companies using it achieved up to a 30 per cent reduction in the cost of their telephone services.

Suitable for PABX switchboards with 100 or more extensions, it can be used up to 18,000 extensions. InterScan, Huchest House, Salisbury Road, Hounslow, Middx. TW1 5ZT 2871.

● COMPUTING

New jobs at Interdata

"TEN YEARS" old Interdata is doing exactly the opposite of what many U.S.-controlled companies have been doing over the past year in Britain—expanding operations.

The company announced yesterday, through its managing director of European operations,

Join up with the
Cooper-Turner Group
Manufacturers of industrial fasteners
Shelford 4277

Nick Bark, that immediately after the move of the main European centre from Usbridge to Slough at the turn of the year, the company would go into a phase of expanding local procurement and manufacture from the present level which could be of the order of around 10 per cent of final value depending largely on software effort.

Software is, in fact the key word in this company's success since it spends something like 8 per cent out of a total development charge on software work.

At the moment, about one fifth of the £330m, a year company's software is written in the U.K., which is quickly becoming a problem-solving centre for the whole group.

The new components to be made for supported Interdata equipment will be the power supplies. Significantly, the company's U.K.-based software group is busy with Coral-88 and with the development of a database suite.

The head of the international operation, Mr. J. Bruno, quizzed yesterday about the company's attitude to microcomputers, saying that he would not believe him for one minute if he claimed not to be concerned. But he implied the strength of the company still lay in the software it was prepared to provide and it still had to be seen whether users who did not really want to go into solid-state memory because of the "volatility" of data with the newer product.

Microprocessors would come in the Interdata range, but when the company was not ready to launch them without crutches. More from Usbridge 52441.

● INSTRUMENTS

Drawing aid at low cost

PIN-ON type parallel motions with a manufacturing accuracy of ±0.005 inch at about only one third of the price of conventional models has just been announced by Vassallo Designs of Baronsmead Road, London S.W.13. (01 748 6518).

Having the great advantage of being suitable for flat or inclined surfaces, including plywood, as well as ordinary drawing boards, they are available in three sizes: A2, A1 and A0, and are fitted with machined brass wheels running on steel bearings cemented to stress-reduced acrylic.

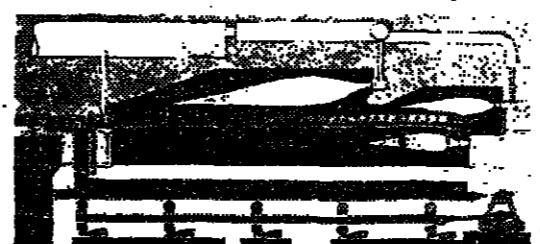
Both edges of the clear centre panel are bevelled and the running cord has a glass fibre reinforced centre to prevent stretching in use, which can include parallelogram and off-horizontal work.

ON STREAM

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billets are carefully inspected and casts are segregated in pens—so the pedigree of every coil is known. Billets that come up to the stringent standards required are then



passed to the walking beam furnace where highly accurate heat control minimises decarburisation. Next, the rods pass through

the 4 strand rolling mill where shear cropping eliminates front end defect. In the no-twist finishing mill, tungsten carbide

rolls are alternatively angled at 45° to give a rounder, more



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Ford fit lightweight, corrosion-free polyethylene mudguards on their new 'Transcontinental' trucks.

Vauxhall fit an easier-to-manufacture plastic moulded 'cab-width' fascia in their new Bedford.

Pylonstone (Construction) Ltd. manufacture a rigid PVC plank as an economic alternative to wood and wood-effect wall coverings.

M&B Reinforced Plastics Ltd. have developed a high strength moulding for use with sewage treatment plant.

Birmingham Plastics Ltd. are using a highly heat resistant, specially formulated plastic for the cover of their new sun-ray lamp.

Aquaflow Cooling Towers Ltd. are using heat-diffusing GRP sheeting as the standard cladding for their modular cooling towers.

And that's just a small sample. Why not add your name to the list?

More and more companies realise that plastics are not just a substitute for conventional materials but, with good design and wise selection, they are often more adaptable, more attractive and more economical.

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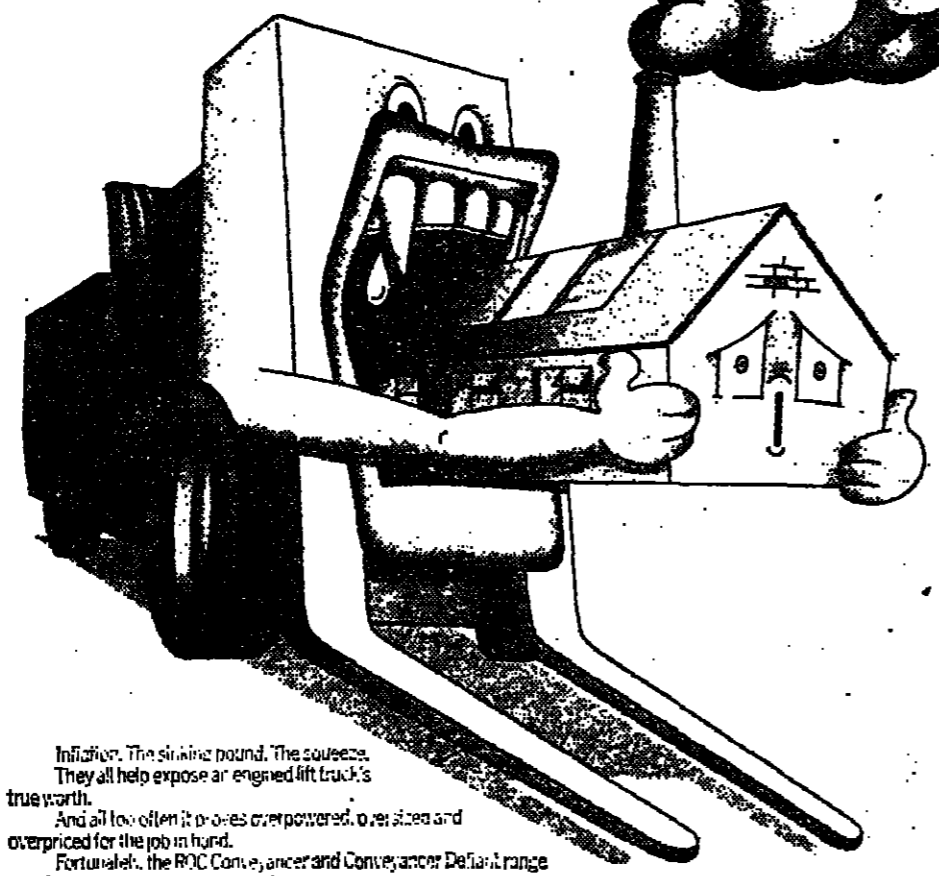
Discover how you and your company can turn the qualities of plastics to your own advantage. Send for our new publication, 'This is BIP'. It will tell you about each of our specialist divisions, and how they can help you.



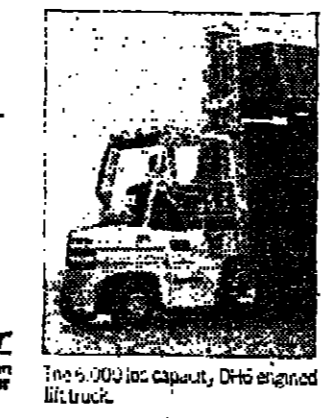
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HOME NEWS

Yard wins £8m. order but Japan may get £10m. deal

ALAN PIKE, LABOUR STAFF

ensions and frustrations in a big car factory, are sometimes expressed seemingly trivial strikes, taken into account in order to understand the remarkable scenes at Dageham plant yesterday.

People would accept un- or semi-skilled positions at car factory for sheer job satisfaction. The work is often lighter, hotter, noisier and more tiring than in other factories, some of whom might the car worker as the most recruit to the idle, sometimes appreciate money, not love that brings the worker to the factory. The violence, vandalism, and fires have marred the launch of the new Corvair IV after 1,000 men were laid off because of a dispute involving only 200 men laid-off men lost £10 or more.

Of a revolutionary period in Dageham, like the 1960s, it will be a big view the incident.

as a classic example of agitated workers reacting against the inherent quality of production-line life. But it should be understood that the incidents probably involved only a few dozen men out of a total Dagenham workforce of 1,000.

The trouble began when the 1,000 men were sent home after 12 door-setters refused to use new aligning equipment, claiming that it was dangerous. There was disagreement on the night shift over the new equipment — although it is being used without objections on the day shift. The introduction of the new Cortina started seven weeks ago. But Monday night was the first time that a large number of other workers had to be sent home because of it.

Most left for home as instructed, but a group of shop stewards on the gates persuaded between 10 and 20 men to stay for a meeting in the canteen at which demands for lay-off pay were made. Shop stewards apparently had difficulty maintaining order.

Overturned postal vans at Ford's Dagenham plant after a night of violence in which a canteen was wrecked.

Sudden general rowdy behaviour and shouting developed into chair-throwing and crockery-smashing. Small groups according to work-mates left the canteen and went "on the rampage" precipitating what was yesterday being widely described as a "riot."

Windows were smashed. Two vans overturned, an executive dining room wrecked and a lavatory pan wrenched from the canteen and smashed against a security van. Groups of men then dragged furniture from the wrecked canteen and dining room to the front of the plant and made a huge bonfire.

As **Ford** officials began a detailed inquiry into the incident yesterday, the cost of the damage caused by the havoc was estimated at £15,000. In addition, nearly £200,000 worth of production was lost.

Management and workers agreed yesterday that the 400 men who stayed behind to attend the meeting only a minority—probably between 50 and 100—were actually involved in the wilful damage. The situation, however, had been made worse when the men discovered that they had missed the last buses and Thames ferry which Ford management had arranged to take them home.

The Dagenham body shop has been for many years had a reputation for militancy. But over the past year the company has shown signs of an improving relationship.

It is said that there are small groups of extreme Left-wing activists among the labour force, but they have so far had little success in recruiting the support of most workers.

Until yesterday, the nearest thing to a serious incident was in the spring of last year when a small group of militants barricaded the main entrances to the body plant and declared that they were

A BADLY NEEDED \$8m. pack-
age order for four ships was
announced yesterday by
the Admiralty at the same
time as it became clear that
Britain's adherence to inter-
nationally agreed shipbuilding
credit terms looks likely to cost
another shipyard £10m. worth
of work.

While Scott Lithgow was cele-
brating orders which give a tem-
porary reprieve from the threat
of redundancies, Devon-based
Hawthorn Leslie is considering
the consequences of the
Export Credit Guarantee Depart-
ment's refusal to compete with
credit arrangements being made
available to the Japanese.
The Appleton subsidiary of the
State-owned Sunderland Ship-
builders had virtually agreed a
£10m. contract price for two roll-
on-roll-off ships, but the firm
has now pulled out of the deal
and is seeking a new shipyard
and container leasing company with
substantial British interests.

However, Sea Containers alone
had a tender from Japan with
a 10% discount on the normal
compared to the 70 per cent. repay-
able over seven years normally

Both Appleford and the U.S. company pressed the BEGD and the Department of Industry to improve on the 70 per cent terming bank guarantee by any headway. In addition, the BEGD wanted bank guarantees for the first five repayments on the ships which the Sea Containers refused to provide.

In abeyance

The discussions are said to be in abeyance but Appleford is not now expected to get the orders for its yard which is swiftly running short of work. The company's disappointment has been shared, however, by an agreement to build a small cargo ship for a British company with an option on a further vessel. This should guarantee work well into the second half of next year.

The Scott Lithgow orders, forecasted in the Financial Times a month ago, will provide about nine months' work for 500 men

at the company's Ferguson yard on the Lower Clyde, if the two new ships taken up—as the company expects—they would provide five months' work for Scott Lithgow's Cartsdyke yard, where 1,000 men are under the shadow of redundancy from early next year.

Orders for 3,700 deadweight tons "mini bulkers" have been placed by Jersens (U.K.), a British associated company of Norway's Kristian Jersens Rederi A/S. Jersens has also placed orders with the Lower Clyde company and one of its directors is Mr. Ross Belch. Scott Lithgow's managing director.

Mr. Atle Jelsens, chief executive, said that such a lot of criticism of British yards was "exaggerated and misplaced." He was "more than satisfied" with the performance of Scott Lithgow.

Jensens' package is the second block of orders taken by Scott Lithgow this year. Earlier, Furness Withy placed an £18m contract for two cargo liners.

U.K. brewers near capacity in August

By Kenneth Gooding

DAVID CHURCHILL, LABOUR STAFF

MAJOR TUC-affiliated unions have withdrawn appeal against the grant of a writ to a small association in the hauls group.

With the Association of Scientific, Technical and Managerial and the General and Municipal Workers' Union have pulled out of their hearing in the Employment Appeals Tribunal on October 8, which is to have been an important case on the validity of the new criteria.

It is because the unions fear new tighter criteria for recognition to be introduced by Government in the next session of Parliament which they feel small staff associations are unable to meet.

The Employment Appeal Tribunal-Courtald's Group One staff association decided its members would not join the Employers' Protection Act last June—conferred certain rights, including help with recognition—decision angered white-collar unions as they feared that staff associations would subsequently fail to be granted a certificate.

But the unions to mount a massive campaign, including a reference regulation of surveillance.

port at the recent TUC at Brighton, to force the Government to change the criteria.

Mr. E. Varley, Industry Secretary, and Mr. G. Booth, Employment Secretary, have both acknowledged that the existing criteria mean that the industrial relations in many companies are confused by the addition of a number of small associations claiming recognition.

Although no clear indication of the prospective new criteria has yet emerged, it seems likely that they will embrace some form of test for effectiveness, possibly with the involvement of the Advisory, Conciliation and Arbitration Service.

ASTMS, however, is believed to favour a complete abolition of the existing criteria which would effectively mean a return to the pre-1971 terms, before the Tories introduced trade union registration. This would have little adverse effect on recognised trade unions, argues ASTMS, but could prevent the spread of small staff associations.

The GNMW has not yet decided whether to pull out of an appeal before the tribunal over the certification of the Imperial Group's staff association.

By this time, a large force of police who had arrived outside the plant, were met by a hail of bottles, other missiles, and abuse. The men at first refused to allow firemen to tackle the blaze but eventually—after an appeal from management who feared the fire might spread to a nearby petrol store—allowed the works fire service through.

The damage was condemned by both management and shop stewards yesterday. One question repeatedly asked was whether it was coincidence that the flare-up took place on the day that the new car was being officially launched. Management fervently hopes that it was.

The company hopes that the new incident will prove equally untypical. Car company managements are well aware of the frustrations of life for thousands of their employees.

Chrysler double shifts may give 1,000 jobs

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITAIN'S breweries continued to work at near-capacity levels in August, according to Customs and Excise statistics issued today.

This followed similarly high output in July. By the end of August the industry had completely recovered from the disastrous start it made to 1976 — production was down 12.5 per cent after two months.

THE MANAGEMENT of Chrysler's Solihull plant at Linwood expects to introduce double-shift working in the New Year, which may mean employment for 1,000 more men.

News of this development came with an indication yesterday that Chrysler is moving well ahead of its scheduled plan to

ment, under Mr. Malcolm Freshney, who used to head Chrysler's operations in Ireland, has been clearly gratified by the speed with which the Avegant lines have been switched from Coventry to Scotland and brought into production. It hopes eventually to register improvements of up to 30 per cent in productivity on the plant's

The January to August output of 26.15m. bulk barrels (equivalent to about 7.5bn. pints) was 0.42 per cent. more than production in the same period last year.

But indications from the trade are that September has been far from good for the brewing industry. The brewers are sticking to the forecast that

build 1,500 units a week in Scotland.

By the end of the year, when the new Avenger is fully run in on the Linwood lines, the company is expected to be working on its full-out capacity of about 1,750 units a week.

Manufacturing of Hunters in kit form for Iran has also picked up at a faster rate than expected.

At present Chrysler is short of cars because of disruptions caused by the plant reorganizations. The company estimates that it has stocks of only about 7,000 against 21,000 at the same time last year.

Non-TUC aero staff anxious

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

GROWING CONCERN is being felt in the aerospace industry by non-union workers, including those who are members of staff associations, at what they fear may be their inability to make their views heard once the bulk of the industry is nationalised.

These workers are at all levels in the industry, and represent about 60-70% of the 60,000 labour force that will be taken over by the projected British Aerospace Corporation once nationalisation is completed, probably by the end of this year.

So far, while Lord Beswick has been in charge of the situation with management and TUC-affiliated unions in the companies

to be taken over (British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation), the staff associations claim they have not been consulted.

Ignored

They argue that the views of some of the most responsible and talented engineers in the industry, of considerable value to the future nationalised organisation, are being ignored.

Lord Beswick visited the guided weapons division of Hawker Siddeley Dynamics in Glasgow this week but declined to meet officially the recently-formed staff association.

representing about 350 of the 1,000 workers at the plant. Early next month he is due to visit HSD's works at Kielduff, but is not expected to meet the representatives of the staff association there, which represents about 850 of the 3,000 workers.

The view of the staff associations in HSD, which is echoed by other aerospace companies, is that if the Government's intention of introducing a greater degree of industrial democracy into the nationalised aerospace industry is to be fulfilled, then the staff associations and uncommitted workers are entitled to a hearing as TUC-affiliated workers.

In August production was 3.59m. barrels (at 288 gallons to the barrel), the highest recorded for the month since statistics were collected in their current form in 1929. This was 2.44 per cent. up on the August 1975 figure.

The next development for Linwood will be introduction of the new 424 model which is replacing the Imp. This is due to go into production in April, and will use an updated 330cc Imp engine or a choice of two Avenger units.

Fish closure

BOSTON Deep Sea Fisheries is to end its North Shields operation on November 1 because of continuing losses and the uncertainty surrounding fishing limits and EEC policy, the British Fishing Federation said yesterday.

Fish closure

BOSTON Deep Sea Fisheries is to end its North Shields operation on November 1 because of continuing losses and the uncertainty surrounding fishing limits and EEC policy, the British Fishing Federation said yesterday.

READ A LITTLE COMPETITION FOR BRITISH INDUSTRY.

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The Republic of Ireland is predominantly an agricultural country	True <input type="checkbox"/> False <input type="checkbox"/>	2. Its manufacturing capacity is small in keeping with Ireland's insignificant domestic market	True <input type="checkbox"/> False <input type="checkbox"/>
Ireland has the lowest industrial growth-rate in the EC	True <input type="checkbox"/> False <input type="checkbox"/>	4. Ireland's sole natural resource is grass	True <input type="checkbox"/> False <input type="checkbox"/>

We'll give you a hint: All the statements are false.

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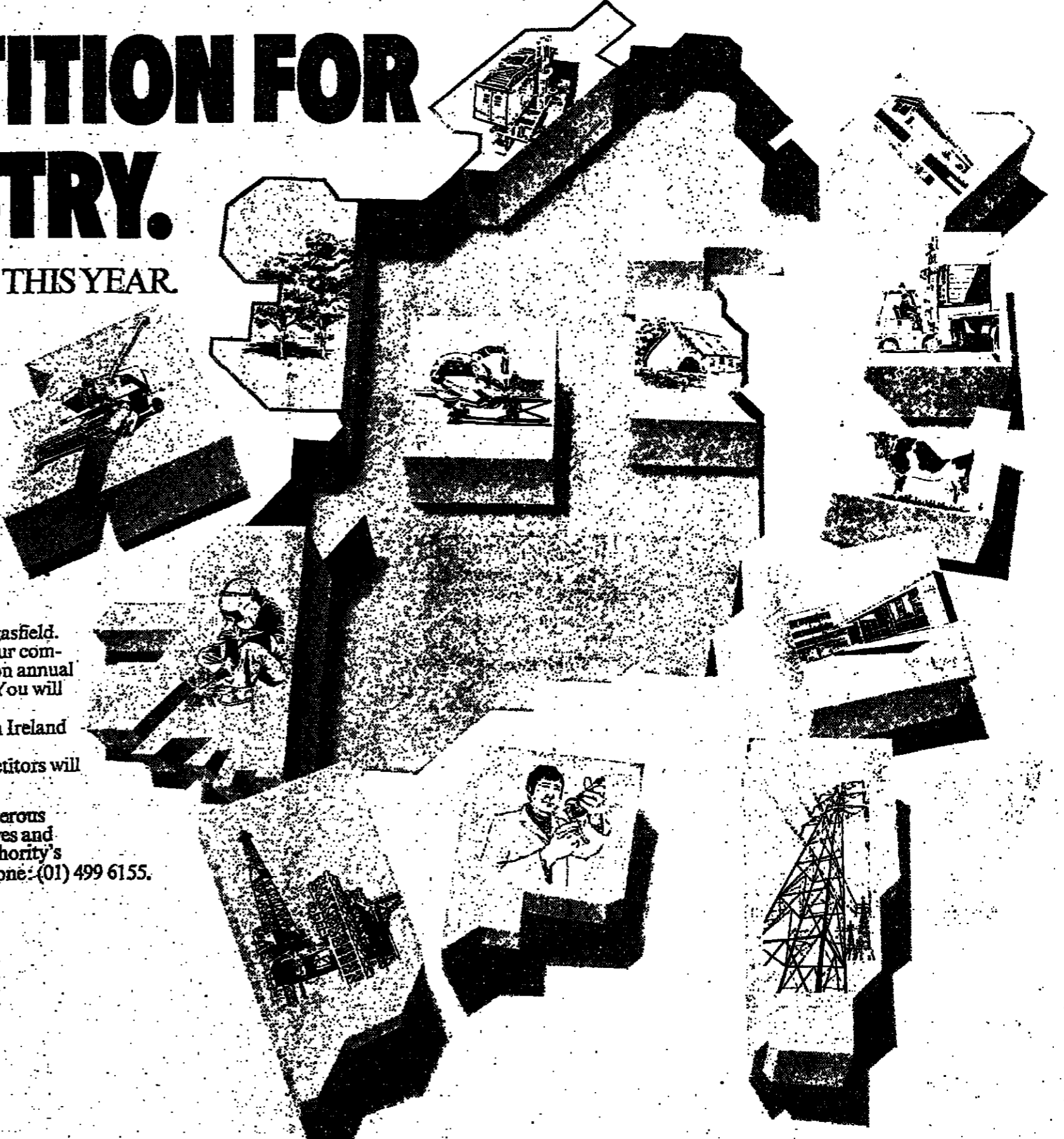
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Director in the U.K. is Hugh Alston, 28 Bruton Street, London W1X 7DB. Telephone: (01) 499 6155.



LABOUR PARTY CONFERENCE



Ministers fail to quell child benefit protest

BY JOHN HUNT

DELEGATES PASSED motions condemning the Government's failure to implement the child benefit scheme in full next April and deplored the cuts in the rate of growth of the National Health Service.

The resolutions also called for a long list of radical measures including the abolition of private medicine and also of charges for prescriptions and for ophthalmic and dental services.

Delegates ignored warnings from Ministers that postponement of the benefit scheme and the health cuts were essential if the country was to live within its means at a time of economic difficulty.

The admonitions came from no less than three leading Ministers—Mr. David Ennals, Social Services Secretary, Mr. Stanley Orme, Minister for Social Services, and Mr. Fred Mulley, Defence Secretary, speaking on behalf of the NEC because Mrs. Barbara Castle, former Social Services Secretary, refused to do so.

Mr. Mulley pointed out that the child benefit scheme, which will eventually replace child tax allowances, will not be introduced over a three-year period. Had it been introduced all at once next April, as originally planned, it would, he said, have put at risk the Government's pay policy. As it was, the scheme would be implemented in full by 1979. "We shall then have all we want."

He went on: "We can claim a considerable success in this new situation. It would be totally unjustified to condemn the Government in the terms of this resolution. It would not be right and fair."

Mr. Orme urged the conference not to fight battles that had already been won. "There were boos and jeers when he declared 'The child benefit battle has been won'."

Resources

Undeterred, he told his critics "The Government cannot at this stage commit any more expenditure. My commitment to the child benefit scheme is absolutely fundamental. I see the introduction of this scheme as a cornerstone for the expansion of the social services along with better pensions and benefits."

Mr. Ennals told the conference that he was not surprised that there had been such emphasis on public expenditure cuts throughout the debate. "We would always need more resources for the NHS than we would be able to provide. But the movement should stop knocking the Government's achievements. There had been

no reduction in real expenditure on the service, although it had been necessary to postpone some building projects and some schemes would grow more slowly than previously planned.

He warned: "We are going to have to live within our health service on funds which are less than we want. It is the responsibility of all of us to ensure that these funds are used effectively."

To achieve this, it would be necessary to squeeze out some of the excess of administration that has grown up within the service.

Defence

He cautioned those who were calling for industrial action within the service that this would, in fact, hit at the patients and it was they who must come first.

But his words had no effect on the following speaker, Dr. Beaumont, secretary of the Socialist Medical Association. She said that industrial action might be necessary as a protest against the cuts as an ultimate defence even if this meant a struggle against a Labour Government.

"To loud cheers, she declared 'The Labour Government has chosen to ignore the wishes of our party and put at risk the health and lives of our families for the sake of the bankers and financiers. Services are being cut back and more cuts are on the way.'"

Two resolutions were passed by the conference on a show of hands. The NEC had advised that they should be remitted and when the sponsors would not agree to this, it asked the conference to oppose them.

The motion on the child benefit scheme moved by St. Pancras North CLP condemned the Government, demanded its implementation in full with benefits set at generous levels.

A resolution from the Confederation of Health Service Employees deplored the cutback in the health service and called on the Labour Party and trade union movement to combine to fight the cuts.

It demanded a minimum wage for all health service workers, the abolition of private nursing charges and that newly qualified doctors should serve at least the first five years after qualification in the NHS.

It also wanted a tax or levy on private medical establishments and staff and tighter control of medicine outside the NHS. Finally it called on the Government to take urgent steps to abolish private medicine in this country and to abolish charges on prescriptions and for ophthalmic and dental services.

Obstinacy lingers over Europe

BY PHILIP RAWSTORNE

Or governed by a federal Europe with coalition policies "that would make our friends like rabid red revolutionaries," he added.

Mr. Mikardo finally sank his teeth into an old quotation by Mr. James Callaghan that compared the European Parliament with Hampshire County Council. And while the Prime Minister strove to restrain himself from biting back viciously, expressed his thanks for "the relevance and pungency so characteristic of Jim."

If Mr. Mikardo's speech dredged the depths, the other anti-market contributions were merely shallow. Mrs. Gwyneth Dunwoody, MP for Crewe, said that direct elections would create "a Parliament of politicians not of people's representatives." For exposing this "biggest con trick of all time" she was given an uncomprehending cheer.

Mr. Kevin Hunt, of Middle-

ton, complaining of a "blanket of silence" broke it with a loud challenge to the Government to produce its mandate. The referendum had not mentioned such a course he cited. "This is enough, no further."

Mr. John Power, of Oxford, inveighing against the "rational intellectual democrats who litter this party" wanted to be out of the EEC. "I do not believe in putting my feet in a bucket of concrete and waiting until it sets."

And Mr. Alan Whitehead, Southampton North, declaring that the EEC was in economic chaos, urged conference not to hold it together with a directly elected Parliament. "Let the chains rust away," he said.

But it was a former anti-

marketeer, Mr. John Cartwright, MP for Woolwich East, who, condemning the NEC policy as "an empty anti-market gesture" led the opposition to this "vague collection of fears, apprehensions and nightmares."

Was Labour to sit solemnly on the sidelines when the elections were held, he demanded. "I find it incredible that the Labour Party with its long history of fighting for democracy should decide to come out against the principle of a democratic election."

He was vigorously supported by two union leaders. Mr. Alf Allen of ASDOR urged the conference to "give up defying the voice of the people" that had been heard in the referendum, and chided the party for its lack of courage and its insularity. "Having gone into Europe, we now can't be half in and half out."

And Mr. F. A. Baker, of the Municipal Workers, pointing out that the unions had joined the EEC institutions to further the interests of their members, asked how the party could leg behind. The NEC could not complain about the Brussels bureaucracy and then reject a democratically elected Parliament.

Mr. Julian Priestley of Sutton and Mr. John Powell of Cardigan, two Labour candidates, pleaded with delegates not to align themselves with the French Gaullists but to live up to its democratic traditions.

And Mr. Fred Potts, of Brent, appealed unsuccessfully against what he called the NEC's "drizzle." He said: "I've only been a member of the party for 50 years, so I don't really know much about it." Quite a few others, reflecting on today's events, will find it incomprehensible too.

NEC defeated on council house sales, tax reliefs

BY JOHN HUNT

THERE WAS further embarrassment for the party leadership when delegates defied a recommendation of the National Executive Committee and approved three hostile motions condemning the Government's housing policy and calling for more radical measures to provide council houses.

One resolution, which was passed, called for an end to the sale of council houses—thus going against the present Government policy of leaving it to local authorities to decide this matter for themselves in the light of local circumstances.

The successful motions also demanded a reduction in the tax concession on the mortgages of owner-occupiers, a greater degree of Government control over building societies, and the compulsory purchase of houses left vacant for more than six months.

In a speech from the rostrum, Mr. Peter Shore, Environment Secretary, said that he wanted to see the introduction of a new arrangement under which the Government would enter into agreements with each local housing authority about the level of spending and then leave it to them to decide their own housing priorities within that financial limit.

It was noticeable, however, that he made no attempt to rebut any of the points in the hostile motions nor did he try to persuade delegates to vote them down.

He contented himself with an outline of Government thinking on housing during the present period of financial stringency and listed four points.

1—There were some stress areas where the housing problem was far worse than others and priority must be given to them. It would be his job to see that these areas did not suffer from the general imposition of the cuts in public expenditure.

2—He would see that councils did not go ahead in some areas with exceptionally costly schemes.

3—There are some schemes in some areas which we cannot afford now or where we should call in the architect and direct him to think again.

4—We had to get a better mix between new building and rehabilitation programmes. "It seems a consensus that we have had a total open door for new house building and a rigid limited budget for municipalisation and modernisation."

Mr. Shore added: "I want to

work out a new relationship with our local authorities. I want a new system in which we can enter into a kind of planning arrangement and agreement with each local housing authority."

"Once we have agreed how much money there is, we would say 'It's up to you. You can have a far greater freedom to spend on modernisation of old houses, more on investment grants or, if you want, to build new houses. That is the kind of new freedom I think we can help our councils to have.'"

He sympathised with delegates who complained of lack of funds for essential housing programmes. But he told them that the Government could not possibly say that the programmes of various Departments should be affected by the cuts and, at the same time, exempt housing.

There was uproar in the hall when Mrs. Lena Jeger, the Left winger who is MP for Holborn and St. Pancras S., speaking for the NEC, opposed the motion from Birmingham, Sparkbrook. This called for legislation to prevent the sale of council houses and demanded that resources should be concentrated on the provision of more municipal housing.

Mrs. Jeger reminded delegates that the NEC policy document, Labour's Programme 1976, said: "We are opposed to the sale of council houses where this would make it more difficult for councils to meet the needs in their areas."

There were shouts of anger when she added: "That does not mean that any council has to sell a single house. It is part of our feeling for local democracy that this decision should be available if the council so decides."

"No, no, no," protested delegates while one of them demanded to know where Mrs. Jeger stood personally on the issue. "Mrs. Jeger replied happily: 'I don't stand anywhere. I am speaking for the Executive.'"

The Sparkbrook resolution was then carried by a narrow majority on a show of hands.

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THE STERLING CRISIS

Bonn is against extending standby credit

NICHOLAS COLCHESTER

BONN, Sept. 29.

There is no question in the West German Government that Britain's \$5.3bn. credit from other members of the Group of Ten will be extended or renewed. It expires in December, said Karl Otto Poehl, Secretary of the West German Ministry, said today.

Poehl, talking before the IMF meeting in Bonn, said that West Germany now basically supports the credit needs should be met through the IMF where the Group of Ten is not involved. He said that the IMF had been successful in dealing with economic policy issues attached to them.

Finance Ministry officials do not disguise their bleak view of the British situation. He said that Britain had drawn from the IMF a little more than repayable part of the \$5.3bn. that it had drawn from the IMF.

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Commonwealth is sympathetic

REGINALD DALE

HONG KONG, Sept. 29.

Finance Ministers of the Commonwealth are expected to start a two-day meeting here tomorrow, which would be a sympathetic gesture towards Britain's economic problems. Mr. Ramphal, the Commonwealth Secretary-General, said today.

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Fund could set conditions after mission to Britain

BY DAVID BELL

WASHINGTON, Sept. 29.

A BRITISH application to the International Monetary Fund has been expected here for some time, but the timing of today's U.K. move caught most officials off guard, more so because many of the Fund's senior staff are already on their way to the annual meeting in Manila.

No formal decision has yet been taken about whether to follow the usual Fund custom and send a mission to Britain to examine the current state of the economy. But it is expected here that such a mission will be sent.

It would spend about two weeks in Britain and the Fund would then propose a number of conditions to the British Government. Fund staff are not prepared to speculate publicly on what the terms might be, but privately, it is clear that the Fund will want to set a number of conditions, particularly about the rate of domestic credit expansion (DCE) and the growth of the money supply.

Officials here appear to feel that the British Government may have allowed the rate of DCE to all but get out of control in the second quarter of the current fiscal year and that firm and binding targets for it are now essential.

There is also considerable concern about the future of the incomes policy as a result of the recent settlement with the seamen, but the Fund recognises it will be some time before the shape of the next phase of policy can be considered.

Britain's quota with the IMF totalled \$2.8bn. (about \$3.25bn.) and in addition to this the U.K. is entitled to borrow a

further 45 per cent. of their quota (about \$1.45bn.) under the terms of the agreement formally signed in Kingston in January. A first tranche of this quota—SDR0.7bn. or about \$800m. has already been borrowed—which leaves Britain free to borrow a further \$3.9bn. if the extra 45 per cent. is added to the three quota tranches remaining.

This money would not be made available all at once but disbursed over a period of time and continuing disbursement would depend in part on whether the U.K. continued to meet whatever conditions the IMF laid down. But the Kingston agreement also said in a little noticed passage, that it would be possible "under exceptional circumstances" for countries to borrow more than their quotas by making use of what has come to be known as a supertranche.

Such a borrowing would be in hard or useable currencies and if the IMF were short of these it could, in its turn, borrow them under the 19-year-old General Arrangements to Borrow through which members of the Group of Ten industrialised countries have from time to time lent money to the IMF.

At the Puerto Rico summit conference earlier this year there was some talk of making this facility available to Italy. And it is likely that the use of this may now at least be considered in the British case.

It is not lost on the Fund that the \$5.3bn. swap agreement which Britain now has with the central banks expires in December when the more than \$1bn. of it used so far will have to be repaid to the central banks. This

would have to come out of the \$3.9bn. provided it is lent by the Fund, and would thus reduce the amount available to the U.K. to use to defend the pound.

Equally, the central banks—including the U.S.—might be prepared in effect to extend their current swap agreement in this form by linking it unequivocally to the conditions that the IMF would lay down. The Americans are known to be opposed to any extension of the swap in its present form, but they might not look with so much disfavour if it were to be dressed up as a supertranche.

Much will depend, however, on the conditions. In December, 1975, when the U.K. successfully applied for the first tranche of its quota there were no formal conditions, but the U.K. tacitly agreed to specific targets.

The first—no more than \$12bn. public sector borrowing requirement in fiscal 1976-77—has been comfortably met so far this year. But the second—the rate of DCE—was not met in the first quarter, but not apparently in the second. Indeed, the rate of DCE since July seems increasingly to have concerned many Fund officials.

It is thus taken for granted, that, as in 1968-69 when Britain made its last major application, the Fund will insist on a DCE target. This time it was a mere \$400m. and it was met. Now, presumably, it will still be around \$90m., but a definite and binding target is likely to be set both for it and for the money supply.

Fund officials now appear to accept the latest PSBR figures and are not expected to press

posals will then be placed before Mr. John Silkin, the U.K.'s new Minister of Agriculture at the EEC Council of Ministers meeting which opens in Luxembourg on Monday here today.

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Government will resist 'hybrid' claims in Lords

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE GOVERNMENT is expected to make a statement in the Lords shortly on fresh suggestions that its Bill nationalising the shipbuilding and aircraft industries may be "hybrid."

During the Bill's Lords Reading debate on Tuesday, Lord Campbell of Croy and Lord Wigoder claimed there were discrepancies in the Bill's treatment of ship-repairing companies.

Their arguments were believed to have been inspired by Mr. Christopher Bailey, chairman of Bristol Channel Shiprepairers, who has conducted a determined and resourceful campaign to avert nationalisation of his company.

All its four yards are primarily engaged in repairing the company's 80 fishing trawlers, and not all their income is derived from ship repairs.

This is a point which could well be in the Government's mind to be made by Lord Melchett, the Minister piloting the Bill through the Lords. Associated Fisheries would argue that it does not fulfil another requirement of the Bill, which says that to be nationalised a repairing company must be entitled to "an interest" in possession or a licence to occupy a dry dock or graving dock.

It remains to be seen what the Government suggest that Lord Wigoder's point that Scott Lithgow Dry Docks, JB Howe and Western Shiprepairers should have been excluded from the Bill because their annual turnover short of the necessary £3.4m.

There is no indication that the Government is prepared to allow any major alterations to its Bill, though the Conservative peers will seek to amend and delay it during its committee stage.

Silkin told to fight dairy plan

By Stuart Alexander

A RENEWED warning that EEC proposals to protect dairy farmers would lead to increased food prices was given yesterday by the Food Manufacturers Federation.

They will deliver a letter today to Mr. John Silkin, Minister of Agriculture, urging him to take a firm line when the package again comes up for discussion by EEC ministers next week.

The food manufacturers are particularly upset at a proposed tax on oils which, they claim, could, at 15 per cent, amount to £50 a tonne and add £43m. a year to the U.K. housewives' food bill.

The tax would aim primarily at reducing the gap between margarine and butter prices, but the federation said that only a quarter of the oil used in the U.K. went into margarine production.

Other products to be hit would be cooking oils, cakes and biscuits, canned soups, crisps, and mayonnaise.

Mr. Ron Halstead, president of the federation, said that with food prices already certain to rise because of the devaluation of the pound, any further increases would only hit the consumer harder when the Government was hoping to make the Social Contract stick.

Rupree rises against £

By Our Own Correspondent

NEW DELHI, Sept. 29. THE RESERVE BANK of India announced a further rise today of 4.6 per cent in the value of the rupee against the pound, with immediate effect.

Today's revaluation is the eighth since the rupee link with sterling was snapped on September 25, 1975.

The rupee has appreciated by nearly 20 per cent since the link with sterling was broken.

Payments at this rate would soon make nonsense of the commission's budget estimates and require a special EEC supplementary budget of their own.

Monetary compensatory payments have in fact never been set above the 30 per cent level, except for two weeks last May when Italy enjoyed import subsidies of 30.8 per cent on sugar, cereals and wine.

It is clear that it would not allow a vocal militant minority to dominate Government policies.

Lord Peart, in reply, agreed that there were parts of the economy which needed strengthening and there was a need for more purposeful investment.

He said: "I believe investment and confidence is essential in relation to the standing of sterling and the pound in relation to the outside world."

"I am not doctrinaire. I believe in a mixed economy. Private investment has got to work and profits have got to be made. I believe the nationalised industries can work within this framework. The Prime Minister made this abundantly clear yesterday."

EMERGENCY DEBATE IN THE LORDS

'Air of complacency' rapped

NEWS OF Britain's intention to seek a new standby from the International Monetary Fund contributed to the improvement in the pound, Lord Peart, the Leader of the Lords, declared yesterday.

In an emergency statement to the Lords on the sterling crisis, he said: "I am pleased to be able to tell the House there is a better atmosphere for the pound today."

"The Government has been much concerned at the sharp further depreciation of sterling seen in recent days. This has taken place despite the solid progress being made in tackling our underlying problems."

"But sterling, in common with all other major currencies is floating and it is not appropriate or practicable to stand out in all circumstances against strong but temporary market pressure."

"Delicacy" The "delicacy of all these matters" inhibited him from being much more forthcoming and he trusted they would bear this in mind when putting questions to him.

Lord Thornycroft, chairman of the Tory Party, attacked Lord Peart's statement for "displaying an air of complacency" and demanded to know whether there would be any changes in Government policy or whether the country could expect the mixture as before.

There was a danger that some people, reading the statement, talking as though nothing was happening that did not happen to other major currencies, would think this showed a certain air of complacency.

He wanted to know what fundamental policy changes and

what action the Government intended to stop the steady erosion of the currency.

He went on to say that Britain's application for additional credit from the IMF had contributed to the rise in sterling but said that loans, however massive, were just a palliative.

The country was entitled to know whether the calls at the Labour Party conference for a closed economy and import controls formed part of Government thinking.

Shouted Tory peers shouted approval as he added: "What is required now is a settled long-term policy of relevant actions wholly devoted to the job of getting this country straight again."

"Essential to such a policy must be cuts in spending. Sooner or later we have got to live with our income."

Lord Byers, leader of the Liberals, said sterling's position was far more worrying than was indicated by the statement.

"We are staggering from short-term measures to short-term measures. It is time we faced up to the fact that the declining value of the pound comes from loss of confidence in our economy, both at home and abroad."

It is bound to lead to unwillingness to increase investment in industry and this will produce high unemployment."

He accused the Labour Party of determining Government policy.

They are bent on more and more socialism and expansion of nationalisation. The sooner we face up to this no matter how unpalatable it may be, the sooner we shall solve these problems."

The Government must make

Crosland
Vote on
direct elect

see him



Security lighting makes it a good deal easier to keep an eye on your property. Under cover of darkness it's all too easy to be robbed. It happens 260,000 times every year. Around 800 times every night. And any night now they'll come to you: Fast. Determined. Organised. Or just for kicks. Destructive. Fire-raising. Over recent years security lighting has

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BOOKS

Vanishing I

BY C. P. SNOW

The Marble Foot by Peter Quennell. Collins, £4.95. 254 pp.

By the age of 17, Peter Quennell had made a mark on the literary scene. That was in 1922, and he was regarded as the most gifted young poet for many of the friends he was soon to make, only the most tenuous social or literary connections, but he was taken up, cherished, admired, by a whole miscellany of people, influential and often mutually hostile: Edward Marsh, the Sitwells, Lady Ottoline, Desmond MacCarthy, and high Bloomsbury. It is more than fifty years ago, but over the period since Quennell has remained a permanent adornment of the writing world.

He gave up poetry when he was twenty, and applied himself to various kinds of literary production. Some of that has been journalism, some criticism, and the best of it biography, where, as in his *Byron*, the books have already lasted a generation. All this writing has been executed in a carefully cultivated prose, at the same time sensitive, sensitive and precise, one of the best examples of what his friend Connolly defined as the mandarin mode.

It has been a long and honourable career. Now he has written his autobiography, or rather the first half of it, 1905-33. One hopes that another instalment is to come. This one is interesting, with passages of distinction. Quennell's father, though not a major character as the book suggests, is a very good minor one, and so is his mother. It is pleasant to see Francis Brett Young, another patron of the young Quennell, treated with respect. Brett Young was actually one of the subtlest, most intelligent and simultaneously most elusive, literary personalities of his time. It is a rough rule that writers with major popular success tend to be more impressive than their books, and Quennell's reputation, the reverse.

In the account of the breakdown of Quennell's second marriage, he reaches a poignancy and nakedness to life that makes the entire book worthwhile. Here the language, sometimes too bland and mandarin modulated for revelatory purposes, takes on spring, jaggedness and nature.

The book though does make one reflect on the difficulties of autobiography. How many really satisfactory ones have ever been written? Even by people who have written other works, novels, biographies, poetry which are totally satisfactory? There are very few in English. Accounts of childhood have often worked well, in their own terms. Ditto autobiographies concentrated on a specialised topic, as with Gosse's. But autobiographies dealing comprehensively with a

life? Oh, I can think of scarcely one which gives the sense of truth that a fair number of novels and biographies manage to do.

There is an inherent problem. The writer is likely to be at the wrong distance from himself, and certainly at the wrong distance from those aspects of himself which the reader wants to understand. In this book, for instance, one really does want to get some glimpse of why Quennell—with talent and a spectacular start—gave up poetry as though it were a hobby he was tired of? He does offer what he describes as a simple explanation:

"The need to write verse became gradually less and less imperative, and I ceased to experience the moods of visionary excitement that I felt obliged to translate into a rhythmic verbal pattern."

That, however, would be an explanation for anyone giving up writing poetry at any time, or, at a tiny gloss, for giving up writing of any kind whatever. It doesn't wash, and we need more self-probing.

Deeper, the autobiographer's problem is this. There is a gap, which may be grotesquely wide, between what a person feels about himself and what he reveals of himself in action. The autobiographer dilates about the first: the reader tries to catch hold of the second. Each is a facet of the personality, but the personality disappears into a chimney as the second is made actual.

Quennell tells us, with candour and modesty (the book, avoiding the mock modesty of some autobiographies, has a personality modesty of its own), of his frailties, his psychosomatic illnesses, his nervousness, lack of effective worldly sense and general softness. To himself this is authentic; and it makes him seem like a rather typical wet unalarming literary intellectual of



Peter Quennell—whose autobiography has just been published—accompanied by Snuffy.

the period. The effect, as the nature of autobiography that observed by others, and as it becomes pretty well impossible character in others' eyes, was to supply.

In objective terms, the proof is obvious. An unknown young man doesn't get courted all over the place unless there is something to him. From the history alone, one would guess unusual attractiveness, or strength of character, or a force of intellect, or ruthless drive, or sheer presence, or a dash of all those things. To project Quennell, as biography, as a fictional or non-fictional character is to project, it is just that dimension which is necessary. It is in

In short—Callaghan and capitalism and Mailer

Callaghan: The Road to Number 10 by Peter Kellner and Christopher Hitchens. Cassell, £3.95. 182 pages

This political biography of the Prime Minister is written from a Left-wing point of view. It portrays him as a man without any consistent or long-term political principles or objectives, and dedicated to keeping the Labour Party together. It also suggests that he is of limited ability, and not as trustworthy as he would like one to think. Like prosecuting counsels the authors remorselessly build up their case with each chapter and each

successing issue.

Yet the result is not convincing. One is left with the feeling that he may indeed be all that they say and imply, but the case has been put in such a partial and shallow fashion that, perhaps, if one knew more one would come to a different conclusion. This is partly because they never give him the benefit of the doubt, and partly because of the oversimplified way in which complex issues are treated.

On Ulster, for instance, on which they are particularly scathing about his record, no real attempt is made to explain the enormous difficulties of his position or the context in which his decisions were taken. Despite these drawbacks, this is a useful book. Its account of the Prime Minister's family background and his early career as a union official is well done, and provides a good deal of information that is not widely known. Both for this reason and because each step along the road to Number 10 is recorded, it will be a useful reference work for numerous articles and TV programmes, as well as providing a jumping-off ground for more substantial works by other authors in the future.

CHRISTOPHER TUGENDHAT

It's No Sin to Be Rich: A Defence of Capitalism by William Davis. Osprey, £3.95. 254 pages

It will take more than the spectacle of Mr. Davis hobnobbing with the rich and famous of America (Ford Rockefeller et al.) to convince the sceptics that Capitalism Rules—O.K. Nor will we be comforted by the oft-cited fact that D. Rockefeller has a weight problem: he is still rich, and different from us.

True, freedom is threatened. True, freedom of expression has a close connection with freedom

of trade. False, that freedom is only threatened by socialist/communist regimes. Capitalism has shown itself as capable as socialism of creating monolithic and monopolistic institutions which are both impersonal and anti-personal. In industrialised countries, nominally capitalist, the reality is that Britain is a capitalist country or only in Marxist terminology? or nominally socialist, the problem of the person versus the institution is much the same.

To be for private enterprise is not necessarily to be for capitalism as we know it, or capitalism as it is against any form of socialism (Question: does the average Hungarian farm manager have more or less freedom than the manager of the most free-market subsidiary?). As freedom-loving buccaneers, one freedom-loving buccaneer, to another, Mr. Davis, we need better defences than this. And more laughter.

REX WINSBURY

The Fight by Norman Mailer. Hart-Davis, MacGibbon. £3.95. 208 pages

The blurb to Norman Mailer's latest book says that it has already been called "the best book on sport ever written." That may perhaps be considered an indictment of the rest of sports writing.

Mailer, of course, is not a mere average sports writer. In this account of the Muhammad Ali-George Foreman world heavyweight boxing match in Zaire, he plays with words as Ali is able to play with punches and tease his opponents. The result is a lifelike portrait of more than a boxing match, of Ali, many-sided immensely talented but often behaving in a little-boy way, of the grizzled strengths of Foreman, and the black and sometimes black mischief of nationalism of Africa.

KEVIN RAFFERTY

History Today

Edited by Peter Quennell and Alan Hodge

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In and out of madness

BY FRANCIS KING

The Question of Things Happening. The Letters of Virginia Woolf 1912-1922 edited by Nigel Nicolson and Joanne Trautman. Hogarth Press, £9.50. 627 pages

Freshwater by Virginia Woolf. Edited with a preface by Lucio P. Rutilio. Hogarth Press, £3.00. 78 pages

The two most dramatic events in Virginia Woolf's life during the period covered by these letters are represented, as the editors put it, "by huge gaps." These are a lapse into madness in 1913, culminating in the swallowing of 100 grains of veronal; and a further attack, some 16 months later, when, after a period of uncontrollable and often unintelligible garrulity, she lapsed into a coma. Once she had recovered, she of course referred to these events in her correspondence; but in a manner so casual and matter-of-fact that it is hard to believe that she can't be beaten for eccentricity, but works all right in the long run." It worked not merely all right but magnificently, as her novels and these voluminous letters prove.

The letters demonstrate yet again the extraordinary bond between Virginia Woolf and her husband; and the bond is all the more extraordinary in view of the unsatisfactory nature of the sexual relationship between them. Certainly the marriage was consummated, but there seems to be no doubt that Virginia Woolf was frigid and that after two or three years all attempts at physical intercourse must have ceased between them. Yet all her letters to him are informed with tenderness. He is "my dear little beast," "darling mongoose," "Immunus Mongolus Felicissimus" and she is always assuring him that, whatever abusive things she may have said to him in the crises of her madness, "I do believe in you utterly." "You have made me so happy" and so on.

Apart from Leonard, the most important person in Vanessa's life here Virginia Woolf's feelings are ambivalent. Obviously she loved her sister and could not bear any long separation from her, however much Leonard might think that the racker life of Charleston, with its youthful hangers-on, its noisy and demanding children and its strenuous emotional cross-fertilisation, might upset her precarious balance. But at the same time there was an undertone of jealousy and resentment—above all because Vanessa was found and she could never be so.

As from the previous volume of her letters, so from this one Virginia Woolf often appears in little mention of the Channel; not a single allusion to the Russian Revolution; nothing about near starvation in defeated Germany. Her world is this little world of Sussex, Garsington and Bloomsbury and the only blood in the blood that she makes between one friend and another. The editors of this volume attempt to rebut the common charge of snobbery by making a distinction between "snobish" and "elitist"; but whatever the epithet that one chooses, there is something unworthy in her taunting, taunting tone when she is writing even to those dearest to her.

Yet the marvel of these letters remains. It is astonishing that they should have poured out in six in a single day, and yet maintain such a standard of intelligence, wit and style. It is as though the writer were the victim of some kind of imaginative exfoliative dermatitis, shedding skin after skin, which he manically overactive at once replaced with another and yet another.

As part of the Woolf industry, Professor Lucio P. Rutilio of Stanford University has produced an elaborate edition of a modest charade written by Virginia Woolf for a Bloomsbury theatrical evening. Set on the Isle of Wight, with Julia Margaret Cameron, Watts and Tennyson among its characters, Freshwater is printed in two different versions with a scholarly apparatus of notes. One would dearly like to read it, from Virginia Woolf on the subject; of the Professor's but here Virginia Woolf's feelings labour.

Czech father and son

BY A. H. HERMANN

The Masaryks: The Making of Czechoslovakia by Zbyněk Zeman. Weidenfeld and Nicolson, £8.50. 230 pages

When he left Prague shortly after the outbreak of World War I in 1914, Thomas Garrigue Masaryk was 64, a maverick philosopher and an even more peculiar politician without popular appeal. He returned in 1918 from the U.S. as the founder of Czechoslovakia and its first President. Masaryk closed his "little philosophy shop" as he called it and at the age of 68 blossomed out into a charismatic statesman. TGM soon was accepted as the initials of a much loved constitutional monarch. People felt safe as long as he lived. In 1937 he died, in time, before the Czechs discovered that they had lived in a fool's paradise.

While TGM was pleading for the destruction of the Habsburg Empire, his eldest son Jan served, with distinction, as a scribe in the Imperial army. He was interested neither in politics nor in the other causes of his father. He was a playboy, a hearted person, though not much of an ambassador—the role he was later assigned.

Half Jew and half a Czech schweik he knew how to put across his own peculiar brand of idiom, broadcasting from London to the occupied Czechoslovakia during the Second World War. But when he became Foreign Minister of the liberated country in 1945, he found the task frustrating.

The lives of the beloved father and of the son who loved much are presented by Professor Zbyněk Zeman against the background of the changing political scene of Central Europe, over a period including the last 50 years of the Habsburg Empire as well as the Communist takeover in Czechoslovakia in 1976. He thinks the fact that Jan Masaryk was found, soon after this takeover, dead in the courtyard, under the window of his bathroom, is a much more significant contradiction of this theory, pleasing as it is both to Prague Communist rulers of that time and to those who claim that the alleged suicide confirms Jan Masaryk's reluctance to serve them.

With this reservation, I found this double biography quite remarkable. As an English-educated historian working in this country the author looks into the Central European bowl of adversity from outside and yet he retains the insight of a Czech. I was particularly fascinated by his picture of the early years of the father, Thomas G. Masaryk and by the way in which he can evoke the image of the father without falling under his spell.

One can only hope that Professor Zeman's recent appointment to the University of Lancaster where he will succeed Sir Cecil Parrot as head of the Commonwealth Centre of Czech studies will give him time and opportunity to enlarge the book substantially in the future.

Lake Isle by Nicolas Freeling. Heinemann, £3.90. 236 pages

After mercifully killing off his Dutch detective Van der Valk, Mr. Freeling has invented another sub-Magret, the French policeman Henri Castang. Castang complains more than once of the boredom of the cop's lot, and his creator does little to relieve Castang's (or the reader's) ennui. The story moves slowly, ploddingly, arousing no emotion and scant interest. Matters are made much worse by Freeling's pretentious style, with its over-worked tricks (incessant use of sentence fragments, predicates without subjects, direct quotation followed only by an adverb).

The Happy Hostage by Vincent Brome. Cassell, £3.75. 191 pages

Vaguely inspired by Fatty Hearst and another (presumably) Vincent Brome's heroine is kidnapped by members of The Movement, and very talky kidnappers they are. Joanna—the victim—vacillates between outrage and fascination with her Svengali-like captor. There are some tense moments (especially when her captor is at stake), but the book as a whole is un-

focused and the characters are all equally unlikeable.

The Blue Hammer by Ross Macdonald. Collins, £2.95. 256 pages

Another of Lew Archer's neatly worked-out adventures. A painting is stolen. But is it a fake? The painter himself is a mystery: he has been missing for some 25 years, after several curious events (including a death that may or may not have been accidental). Archer patiently untangles the web of lies and villainy, moving as usual through a gallery of minor characters, all drawn with admirable economy and unforgettable clarity.

So Long as You Both Shall Live by Ed McBain. Hamish Hamilton, £3.50. 185 pages

Bart Kling is marrying the beautiful Augusta (the model you have already met, if you are a McBain fan), and naturally the 87th Precinct is overjoyed to man. But then, on the wedding night, Augusta vanishes from the hotel room. The hunt is on. The details of Augusta's imprisonment are less imaginative than those of her captor's, but the narration is taut as usual.

Don't Whistle "Macbeth," David Fletcher has turned grim. In a dismal seaside town, a dismal art teacher meets a dismal girl

and starts a dismal affair. But the girl must have some attractions, because she arouses the interest of two other people. Complications, then murder ensue. The pace is slow, but the characters are original and credible (until the very end, where things take a too-abrupt grotesque turn). The book is agreeably written.

Two-faced Death by Roderic Jeffries. Collins, £2.95. 233 pages

We are back again in Mr. Jeffries' delightful Mallorca, with its batty, sexy British colony and its lovable policeman Inspector Alvarez, who has to sacrifice quite a few scialas and drink gallons of cognac before solving the elaborate puzzle the author has invented for him. The excellent Jeffries at his best.

Accomplices by David Fletcher. Macmillan, £3.50. 288 pages

After his fairly light-hearted Don't Whistle "Macbeth," David Fletcher has turned grim. In a dismal seaside town, a dismal art teacher meets a dismal girl

and the egreious Fat Ollie Weeks — a brilliantly conceived character — is horribly, convincingly present.

The Detective by Paul Ferris. Weidenfeld and Nicolson, £3.95. 176 pages

This book belongs to the Police Operational genre, with many details about the home life of the men at the Yard. Commander Crocker is one of those near-lovers, neglecting his family for his job, at which he is only moderately successful. A rather blurred story, though readable.

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Fay Weldon: deadly precision into what is happening

Fiction

Those fringe people

BY ISABEL QUIGLY

Who Do You Think You Are? by Malcolm Bradbury. Secker and Warburg, £3.50. 200 pages

Remember Me by Fay Weldon. Hodder and Stoughton, £4.25. 223 pages

The Golden Crucible by Jean Stubbs. Macmillan, £3.55. 288 pages

Malcolm Bradbury's short stories in *Who Do You Think You Are?* all belong to the academic world and its fringes, fringes which include a university dinner party, a television Spaxford who specialises in one-night stands with English tourists, it's because she's having a breakdown in mid-term. Everyone is engaged in some sort of teaching or learning or servicing others in what might be called a pedagogical way.

They read with amazing ease, like the outpourings of a first-class performer on a form (you don't want to stop reading as you don't want to interrupt him); and the stream of words is beautifully structured but seemingly haphazard order continues just so long, then stops. Within the framework of careful, ritualised doings (classes and lectures, set books, meetings, the exact-time show, almost uniform social customs, all familiar behaviour in situations experienced before), chaos may come, unpredictably, in the sense that all this, the whole academic world, now seems to be well-structured chaos.

In *Remember Me* we have the white of deserted winter, the hysteria of everyday life, the lure and the horror of habit: Fay Weldon is chillingly good at this. Life is like this, she seems to say: inescapably, even reassuringly so. People need slots to be slotted into, partners to be invited out with, patterns in a world where ritual and sensation no longer exist. When do they find these patterns? Perhaps in the very boredom and repetitiveness of their own lives, or in their pasts, their shared memories and experiences. Start wherever you like, and you will find connections and overlapping, lives crisscrossing, children casually conceived.

Madeleine, the plaintive ghost of *Remember Me*, is Jarvis's ex-wife, living squalidly in a basement with fat Hilary, their daughter, while Jarvis, married to the slender Lily, has a whole new life of well-ordered domesticity.

Fay Weldon is like a dewer in a small patch of garden, dividing with deadly precision what's happening at secret levels. The assumptions are to bleak it makes strange, perhaps salutary, reading. Is this true? Is this all? The heart says no, the mind admires.

The *Golden Crucible* of the title is San Francisco at the turn of the century, burning in the aftermath of the great earthquake. "Its millionaires' houses and its brothels cheek by jowl, both financed by local gold, among much else: a place of incredible opulence, with vice on display to match it. Even when the heroine of one novel is suddenly into wild cons in Barcelona, busy with a fusion by an upheaval of nature that flung pampered ladies on the streets to carry buckets of water with prostitutes from a breakdown in mid-term. Everyone is engaged in some sort of teaching or learning or servicing others in what might be called a pedagogical way.

Yard inspector called Lintott, who becomes reluctant, involved in trouble when at a show of magic by the great Salvador, he goes up on stage to handcuff the star and see what he makes of escaping. An American of sinister riches is somehow connected with this magic, and when Lintott's wife is pushed under a bus in Oxford Street and trampled by the horses, he decides that revenge warrants a trip across the world.

An honest, perceptive, likeable hero, with poverty worries at home and a policeman's manner, reassuringly subtle, abroad, Lintott never loses his own identity, whatever the adventures around him, is never detached from the centre of his beloved Bessie and his own inner decency.

The magic—another world, in which his daughter becomes involved in trouble when at a show of magic by the great Salvador, he goes up on stage to handcuff the star and see what he makes of escaping. An American of sinister riches is somehow connected with this magic, and when Lintott's wife is pushed under a bus in Oxford Street and trampled by the horses, he decides that revenge warrants a trip across the world.

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Malcolm Bradbury's earlier novel *Ending Point* is *Who Do You Think You Are?* has just been reassured with a new introduction from the author by Secker and Warburg at £3.50.

Accomplices by David Fletcher. Macmillan, £3.50. 288 pages

After his fairly light-hearted Don't Whistle "Macbeth," David Fletcher has turned grim. In a dismal seaside town, a dismal art teacher meets a dismal girl

and the egreious Fat Ollie Weeks — a brilliantly conceived character — is horribly, convincingly present.

The Detective by Paul Ferris. Weidenfeld and Nicolson, £3.95. 176 pages

This book belongs to the Police Operational genre, with many details about the home life of the men at the Yard. Commander Crocker is one of those near-lovers, neglecting his family for his job, at which he is only moderately successful. A rather blurred story, though readable.

Accomplices by David Fletcher. Macmillan, £3.50. 288 pages

After his fairly light-hearted Don't Whistle "Macbeth," David Fletcher has turned grim. In a dismal seaside town, a dismal art teacher meets a dismal girl

U.K. ECONOMIC INDICATORS

	1976			1975		
General	Sept.	Aug.	July	Sept.	Aug.	July
Unemployment ('000s)	1,456.4	1,501.9	1,323.6	1,249.1	1,250.3	1,234.4
Unfilled vacancies ('000s)	129.0	128.0	129.1	143.4	143.4	138.4
	Aug.	July	June	Aug.	July	June
Currency reserves (£bn.)	5,029	5,370	5,312	6,004	6,064	6,064
Bank advances (£bn.)	15,100	15,513	14,466	14,064	14,064	14,064
Basic materials (1970=100)	322.9	301.6	299.6	241.4	232.2	232.2
Manufd. prods. (1970=100)	223.4	219.9	217.0	193.5	191.5	191.5
Wage rates (July 1972=100)	216.4	215.3	214.4	184.3	183.6	183.6
Retail prices (Jan. 1974=100)	158.5	156.3	156.0	139.3	138.5	138.5
	July	June	May	July	June	May
HP debt (£m.)	2,386	2,363	2,356	2,249	2,249	2,249
Terms of trade (1970=100)	73.4	80.0	79.5	82	82	82
Retail sales vol. (1970=100)	199.9	194.2	192.1	175.3	175.3	175.3
Industrial output (1970=100)	101.9	100.4	104.1	100.9	100.9	100.9
	1976			1975		
	Aug.	July	Jan.	Aug.	July	Jan.
Trade and Industry	2,331	2,482	2,212	1,873	1,873	1,873
Imports fob (£bn.)	2,040	1,955	1,929	1,492	1,492	1,492
Exports fob (£bn.)	-0.291	-0.324	-0.282	-0.401	-0.401	-0.401
Visible trade balance (£bn.)						
Steel, weekly average ('000 tonnes)	374.8	367.1	425.5	353.7	353.7	353.7
Cars ('000s)*	80	113	112.5	96	96	96
Commercial vehicles	26.4	33.3	32.0	29.7	29.7	29.7
	July	June	Jan.	July	June	Jan.
TV sets ('000s)††	196	188	185.4	194	194	194
Radios, radiograms ('000s)††	235	320	300.3	345	345	345
Houses completed ('000s)†	26.5	26.8	25.7	26.9	26.9	26.9
Furniture (1970=100)†**	150	126	151.4	156	156	156
Bricks (millions)†	443	487	457	421	421	421
Cement, weekly average ('000 tonnes)*	315	339	312	333	333	333
Man-made fibres (m. kgs.)*	46.72	51.78	51.99	47.0	47.0	47.0
	June	May	Jan.	June	May	Jan.
Hosiery (1970=100)**	81	88	86.6	112	112	112
Electric cookers ('000s) ††	70.6	105.7	73.5	63.2	63.2	63.2
Washing machines ('000s)†	107.8	58.4	65.0	69.5	69.5	69.5
Petroleum (m. tonnes)†	3,835	6,020	6,905	5,680	5,680	5,680
	June	May	Jan.	June	May	Jan.
Raw cotton, weekly average ('000 metric tonnes)§	1.91	2.70	2.33	2.00	2.00	2.00
Engineering orders on hand (1970=100)**	90	91	93.3	112	112	112
	May	Apr.	Jan.	May	Apr.	Jan.
Raw wools (m.-kilos)§	10.2	10.4	10.3	9.3	9.3	9.3
	Mar.	Feb.	Jan.	Mar.	Feb.	Jan.
Machine tools (£m.)†	34.6	27.8	29.8	30.2	30.2	30.2
	1976			1975		
	2nd qtr.	1st qtr.	2nd qtr.	1st qtr.	1st qtr.	1st qtr.
Consumer spending (£bn. 1970 values)	8,876	8,912	8,839	9,041	9,041	9,041
Motor trade turnover (1972=100)	177	166	148	137	137	137
Building and civil engineering (£bn.)	3,165g	3,014	2,912	2,644	2,644	2,644
Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‡‡ Excluding car and light truck deliveries. U.K. made and imported sets. § From May, 1971 onwards new basis of calculation refers to advances to A.K. public and private sector. Historic figures on new basis not available. g Value of output including cooker griller toasters. g Provisional figures. g Final preliminary.						

ADVERTISEMENT

Gabon Pursues Its Ambitious Development Program

Mineral-Rich Province Prepares For Gabon's Post-Oil Period

Priority For Routes And New Industries

LIBREVILLE.—The Gabonese capital has taken giant strides in the past few years to escape its old condition as a sleepy equatorial town. A staggering rate of construction is transforming it into the modern capital of an important African country. Part of the facelift is connected with the annual meeting next summer of the Organization of African Unity, but much is dictated by the need for new ministerial buildings, public utilities, offices and homes. The shore boulevard is being doubled and along its length have risen a new Presidential palace, a new Foreign Ministry, new offices for development banks, a National Art Museum, extensions to major hotels while new hotels like the Novotel and Sheraton are under way. Complexes of shops, offices, apartments and houses are also going up and the impression is that not much will be left soon of the old Libreville.

These are all signs of the continuing boom in the Gabonese economy launched two years ago with the rise in oil prices. Nevertheless there is currently a moratorium on growth and delay all unnecessary spending. For example, the wide exterior boulevard will be completed linking the new port and the existing airport, but the plan for a new airport has been shelved.

Exports outstrip imports two to one and last year there was a \$50-million balance of payments surplus. The President wants to ensure that development is more harmonious and he also is anxious to consolidate his short-term debt. He says he will personally check that spending ceilings are not exceeded and that all essential targets are met in the race to broaden the country's industrial base before any dip in oil revenue. On the other hand, there is an efficient network of airports strategically located throughout the country.

The new five-year plan, starting next year, will concentrate on communications, be they the \$150-million network of roads for the capital, the transformation of Port Gentil, the country's economic capital, across the Gabon estuary, or the launch and completion of the \$1 billion Transgabonais railway, the \$625-million pulp factory at Kango, which will be among the world's largest with an eventual output of 300,000 tons a year, the opening up of rich iron mines and, of course, the search for more oil. In addition, some \$400 million will be spent over the five-year period to improve the country's agriculture and lessen its dependence on expensive imports from France and elsewhere. Manioc and banana production will be raised to meet the needs of thousands of imported workers from other African states and then the emphasis will be switched to fruits and vegetables, coffee and cattle. At the same time, Gabon looks to the U.S. to provide agribusiness firms.

President Bongo summed up the country's situation this way: "We have been going a little too fast. There is nothing alarming about our situation, but we have to pay more attention to priorities and to our debt ratio although we are below some countries which have gone successfully to the Euro-market."

The government admits that oil production could dip slightly in 1980, but adds there is always the prospect of higher oil prices and new discoveries.

It says there are "serious signs" that new reserves exist and Elf-Gabon will shortly evaluate all of them. There are signs too of more uranium near the capital, deposits of copper, lead, zinc and diamonds.

The building boom is not limited to the Libreville shore front. Factories of all kinds have sprung up to fill the industrial zones south of the capital and traffic jams have come to both Libreville and its suburbs. So have foreign businessmen and French technicians. There are now 35,000 French in the country compared with 5,000 before independence and the government admits that many more foreigners will be needed to ensure the success of the Third Plan.

President Bongo has changed his political slogan from "Planned and directed liberalism" to "Democratic and concerned progressivism." It implies no change in his pragmatic approach to ruling, it means greater participation by Gabonese in management, but this Gabonization program will be based uniquely on the ability of the individual. The democratic part of the slogan also means that the state seeks minority shares in companies and wants these firms to explain regularly their policies to employees. The Minister added: "Concerted action means that we believe that development should go hand in hand with foreign investors. There is no question of nationalizing foreign firms for we also believe there must be motivation in business for it to be successful. The policy of the government is definitely liberal."

There is a lot of determination behind some of Gabon's mega projects. It has gone ahead with its major railway despite the earlier doubts of foreign experts and everything points to it being ready on time. It was not put off by lack of enthusiasm in some financial quarters for its pulp plant. It now has Swedish and French backers, as well as the World Bank, has planned overseas outlets for the production, rethought the plant's profitability and is looking at a last problem—pollution.

With exports earning more than \$1 billion a year, the President is not worried about his country's future, but he aims at more controlled growth over the next few years. It will remain one of Africa's highest rates, if not the highest. The Gabonese worker has a minimum guaranteed monthly wage of \$110, but the national average is \$150 or more. This is far higher than neighbouring countries.

Industrialization has not led Gabon to forget its stable source of riches, the immense forests of okoumé trees, which are cut and floated down the rivers to the Atlantic. The policy is to exploit this mass of quality timber through increased exports—world demand has been strong this year—through the pulp plant, diversification of the uses of wood and by obliging local firms to use local timber.

At Port Gentil local drift in oil tankers pull away, a symbol of the way traditional and new sources of wealth are being brought together.

FRANCEVILLE.—Gabon's rich mining region, deep in the south-east of the country, is embarking on a major expansion program prior to the arrival of the Transgabonais railway which will cut through the dense equatorial forest covering the entire center of the country and link the new mineral port on the Atlantic coast with the mineral-rich Haut-Ogooue province bordering the Congo.

Target date for completion of the railway is 1980. When it reaches here freight trains will be loaded with increased production of manganese destined for the world's steel industry, the output of a planned ferro-manganese plant and other subsidiary industries, uranium from

The present route to the sea is impressive—a non-stop stream of 3,000 suspended wagons carries the manganese 47 miles down to the Congo. Negotiations with Congolese transport authorities are directed at improving railroads inside the Congo thus enabling up to 2.6 million tons to be exported from 1980 onwards mainly to U.S. steel mills, Comilog's biggest customer, which buys 42 per cent of output. Other major customers are France, which takes 22 per cent, Japan 12 per cent, West Germany and Britain.

Comilog's biggest shareholder is U.S. Steel with 44 per cent of the capital. The Americans have a \$100-million investment in Moanda and adjusted a

\$75 million upwards. Comilog has principally interested the Japanese, whose total stake of 25 per cent is divided between Okura (10 per cent), Nippon Kōkan (10 per cent) and Nippon Denko (5 per cent). Comilog keeps 15 per cent and has divided another 50 per cent between Aciers de Paris, Elkem (Norway), Sadacem (Belgium), Tascara (Italy) and Union Carbide.

The feasibility study will be ready at the end of this year and the go signal can be given once the government agrees to push ahead with the Grand Poulmar Dam of some 230 MW.

Meanwhile, Sylvestre plans his \$75-million spending program for opening up the Okoumé plateau and has already formed another company, Sogabon, with American and Belgian interests to use manganese derivatives for the glass and pharmaceutical industries. He sees Moanda as the future center of a major industrial complex.

The region is also the site of Gabon's open uranium mines at Okla near Moanda where the 1,000-yard-long excavation site is being expanded and two long mining galleries have been bored into the hillside ready for mining. Production will rise from 1,000 tons in 1978 to 1,500 tons a year in 1980.

The bulk goes to France, but Comilog, the uranium company, sells smaller quantities for power stations in the U.S., West Germany, Japan, Belgium, Spain and elsewhere. A \$40-million investment program will enable Comilog to produce high-grade yellow cake.

It is a deliberate attempt of President Bongo to stimulate Gabon's virtual non-existent agriculture. French engineers brought sophisticated machinery to the area by dirt roads while agricultural experts planted 10,000 acres of cane for the first season. The cane was planted mechanically, the only system of its kind in the world, and has just been cut by fast-moving West German machines slicing their way through field after field. Production this year is expected to be 12,000 tons and the French experts on the spot see no reason why this plateau region near Franceville cannot be developed for other crops—pineapples, soy, corn.

Franceville, President Bongo's hometown, is rapidly spreading along its various hillsides and planes landing and departing from the new airport are packed as are most of the others using the many smaller landing strips.

The future hinges on the new dam as well as the Transgabonais railway. The present hydro-electric plant at Poulmar does not generate sufficient power for the planned new industries. The French are doing a feasibility study for the Grand Poulmar dam project. It is likely to be a \$300-million-plus construction making use of the region's abundant water supply. The cost and the effort would make any developing country hesitate, but industry needs the power and there seems little doubt that the big dam will be built.



Uranium Mine in Moanda.

Photo Union

mines now being enlarged, sugar from a recently built refinery and possibly other agricultural products. This is the country's second boom area destined to provide much of Gabon's export earnings after the run-down of the oil-shore oil fields in the late 1960s. Henri Sylvestre, director general of the Comilog mining company at Moanda, West of Franceville, stated: "With the railway and increased hydro-electric power we can really take off."

A vast new region for the mining of manganese has been set out; the launching of the \$75-million ferro-manganese plant of Sogabon is being organized; Sogabon, a company associating Comilog with the Gabonese government, Japanese, U.S., French, Norwegian, Italian and Belgian interest and has started the first of a series of dependent industries devoted to the manufacture of batteries. Comilog has also taken a part of the mining company established to exploit the huge iron ore reserves in the north of Gabon, a project of direct interest to Bethlehem Steel.

Moanda, which is the Comilog "company town," is growing to meet the new industrial challenge. The company is a big money earner and currently sends its entire annual production of 2.3 million tons of manganese to the Atlantic via the world's longest industrial cable system, its own track in the Congo and finally Congo railways leading to the port of Pointe Noire.

Unique Railway Through Forests Will Open And Unite Country

LIBREVILLE.—A wide path cut through dense forest stretches as far as the eye can see. It starts at a vast construction site on the coast at Owendo, just southeast of the capital, and runs east towards Ndjolé in the interior. This is the beginning of the future Transgabonais railway, the top priority in Gabon's economic planning, a line which will carry iron ore, manganese and wood from the hitherto isolated heart of the country. It is no exaggeration to say that it will be Gabon's lifeline both for exports and for uniting regions cut off one from the other, particularly during the rainy season.

It is a mammoth undertaking for a country which at the moment has no railways at all. The line will pass through some 420 miles of previously impenetrable forest and swamp and will leap giant rivers.

The World Bank took a look at the project some years ago and decided that it was a difficult venture. The Gabonese government, more ambitious, thought differently and work on one of Africa's most ambitious railways has now been launched with the start of the laying of the actual track scheduled for next year.

The technical skills and manpower of several countries have been brought together for the building of the Transgabonais. The construction consortium comprises companies from

France, Italy, West Germany, Belgium and Holland. The workforce will consist of 1,000 Gabonese, another 2,000 from neighbouring African countries (Cameroon, Togo, Senegal, Upper Volta), 400 Pakistanis trained by the French during their building in their country and a similar number of European technicians.

Teams cutting the forest from Owendo and Ndjolé have just linked up, providing a 113-mile path for the track. It has been probably the most difficult part of the work for it was carried out in a region noted for the worst climate in Gabon. One French engineer stated: "Normally, we like to start with the easy bit to keep up morale. Here it has been the other way around. There's no fun in working in an area where conditions limit work to 125 days a year, but we are going to make it for Gabon has become a country where nothing stops."

Work will be possible for 250 days a year or more on the later sections, but then the problems will center on straddling six times the expanse of the River Ogooue.

Most of the backup sites are ready for the big launch. At Owendo the building of the station is well under way—the line will also go to the nearby mineral port also just north of Libreville. The site is cleared for a big workshop at Owendo for

the soldering of 140-meter-long sections of track. Quarries have been dug to overcome Gabon's current dependence on imported gravel. Construction bases have been established every 30 miles for the first section and groups of workers will be housed at these points. The European consortium, EUROTRAC, has built a small town at Owendo and the French managers of the billion-dollar line say confidently that they will meet the 1980 deadline for arrival at Franceville.

The European group of building firms contains some of the continent's finest—Spie-Batignolles and Fougereille of France and three other French firms, West Germany's Philip Holzmann and Bilfinger-Berger, interest of the Italian Fiat group, Holland's Interbeton and Belgium's C.E.I. The study group is also international and includes TAMS of the United States.

The program is for the Europeans to do the heavy work, for the French to supply the track and for General Electric and France's Alsthom to supply the diesel locomotives.

President Bongo has called the railway "the priority of priorities. It will be the backbone of the harmonious development of the country." The cost of the foundations will be borne by the Gabon budget and there will be international aid for the rest of the work.

Oil Supplies The Means For Industrial Growth

PORT GENTIL.—Gabon earned its other name, "Kuwait of Africa," because oil brings more than half a billion dollars a year into the coffers of a country with a population estimated at around three quarters of a million. It gives Gabon a 50-per-cent growth rate and the highest per capita income in Central Black Africa. The known reserves, mainly offshore, are good for another decade and oil revenues will pay for improving Gabon's communications and the new industries which will depend upon them.

Companies have been looking for oil in Gabon since 1953 as the money being made from current annual production of 112 million tons is considered well-earned. Both government and companies are anxious to find more oil so that the oil fund can be extended for five years beyond present estimates.

Blocks next to the present string of wells drilled to the depth of 2,000 meters. The drilling teams are returning to the mainland where prospecting was first launched. The forest forms an enormous obstacle to the companies but from now on the search is going to be half at sea, half on land. Elf-Gabon (75 per cent the French State oil company and 25 per cent the Gabon government) will spend \$70 million this year on exploration, for continued supplies of Gabonese oil are essential for the French company.

The government estimates that in the first years up to 1980 some \$450 million will be spent on exploring the length of the coast and in regions like the Nyembé forest near Lambaréné. Seismic tests are under way in the forest and three drillings were made this summer. Altogether there will be 20 new drillings.

This year's production from the Gabonese fields will match that of last year, which saw a daily average of more than 220,000 barrels. The oil industry accounts for more than two-thirds of budgetary receipts. Gabon joined OPEC in 1975 and while anxious to maximize its revenues it nevertheless pursues a policy of incentives to encourage private companies to keep looking for more oil.

Elf-Gabon is by far the largest producer with around 85 per cent of total production, followed by Shell with 12 per cent and Gulf with just over 1 per cent. The balance is scattered between several smaller companies.

The major production platform, Grandin, at the southern edge of the Elf-Gabon concession, is surrounded by 20 wells and produces some 3 million tons a year. The field will also be used by Elf to experiment with a system of automatic seabed production aimed at replacing present production platforms.

There are about 15 companies from several nations undertaking exploration, but Elf-Gabon, Shell-Gabon and Gulf Oil are far and away the most active. Grandin production has recently been increased and the Erme field nearer shore is also being developed with U.S. independents, Odeco and Ocean. Throughout the area a balance has been maintained between declining sources and those being brought on stream. It's a

costly business and the figure for total investment in Gabon oil has climbed beyond the \$1-billion mark.

Shell-Gabon is undertaking aerial and other studies inland, while offshore Gulf, working for the Shell-Gabon, Elf-Gabon, Gulf and Hispanol association, has found encouraging signs at Mayumbe.

U.S. figures put Gabon's tested base at \$13.50 per barrel but a special high cost deduction is made because of the high exploration and production costs of developing a considerable number of moderate-sized fields. The total government take on a barrel is around \$5.80 and company profits around \$1.40 a barrel. Under this kind of arrangement Elf-Gabon's profits have been averaging around \$45 million.

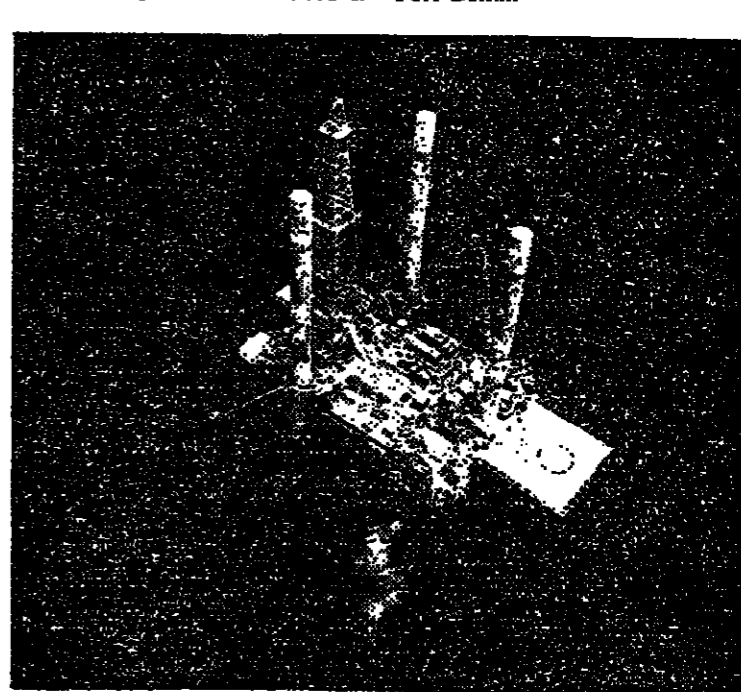
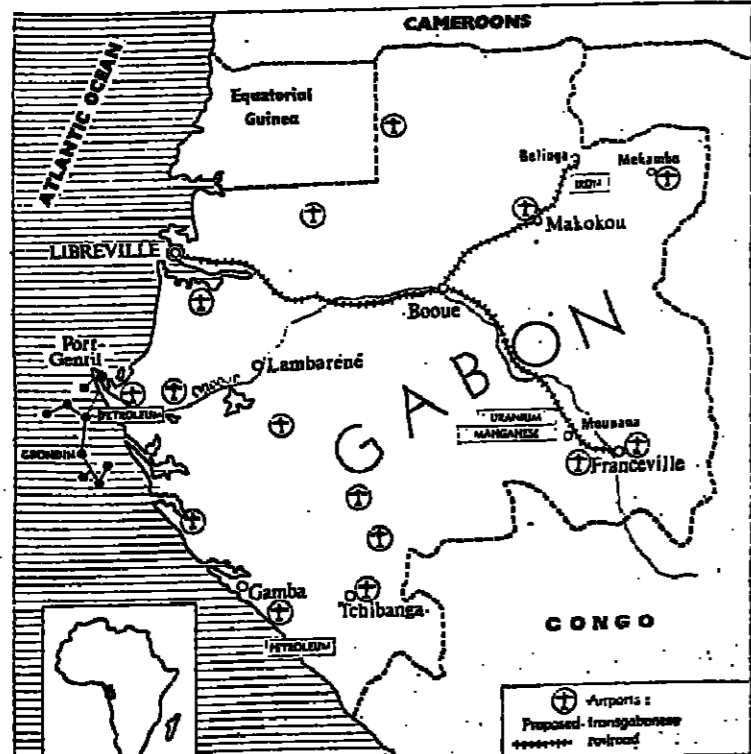
Stocking and refining capacity has been increased with a second refinery of Port Gentil and the country now has its own tanker, the 140,000-ton Tchengué.

Gabon seems to have evolved a coherent oil policy combining high profits for the government and encouragement for further foreign investment. Under a new law, producing oil companies must reinvest 10 per cent of their profits in other industrial ventures in Gabon. This program, called PID (Diversified Investment Program), was first applied to Elf-Gabon which now has extensive investments in various new industrial enterprises. Shell has just entered into a similar agreement.

The state's policy is to create an industrial base to one day replace oil. Elf-Gabon, which is hoping to push sales this year to \$700 million, has earmarked some \$80 million of its \$250 million investment program to stakes in these PID industries, which extend the influence of oil companies throughout the economy. The company has formed a joint venture with the government which has taken 58 per cent in the new Coger refinery and future ammonia plant, 38 per cent in the new sugar company at Franceville and a whole range of other new companies.

The list is extensive and includes a paint and varnish factory, a data processing company, a construction company specializing in prefabrication, a vegetable production concern and even a medical research center which will be devoted to discovering the causes of Gabon's low birthrate. There will be other stakes in a projected paper pulp mill scheduled to cost more than half a billion dollars, a large cement plant, a shipyard and a commercial fishing venture.

With all this activity destined for the post-oil period, the major question in Gabon is how long will the oil last. Some industry sources state that Gabon will be producing oil in some quantity for at least another 25 years. Grandin, for example, has a long life ahead of it. Although oil comes in small streams, the industry thinks it certain that more deposits will be found and this could mean production being maintained at something like present rates for 15 years. The fact that new partners are being found to share exploration costs is an encouraging element. Elf-Gabon is also investing large sums in expanding its oil storage facilities at Port Gentil.



"STORMDRILL" the automatic elevated drilling platform in Gabonese offshore waters.

HOME NEWS

British Steel promises six-month price standstill

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

BTG STEEL users have been given the further assurance that they have sought about British Steel Corporation price increases.

The corporation has given a "categorical assurance" that it will maintain a price standstill for at least six months on the products due to go up on Sunday.

Only a large unexpected rise in raw material costs would force it to go back on this assurance, the British Iron and Steel Consumers' Council has been told.

The steel users had been seeking more positive assurances since the corporation said that it was to raise the price of about two-thirds of its domestic output by an average of 10 per cent on October 3.

At that time the corporation promised to hold prices at the new levels for six months "as long as production costs show no further increases beyond those already expected."

Some steel users felt this gave the corporation so much room for manoeuvre that the promise was worthless. So a meeting was arranged between the Consumers' Council and Mr. Bob Scholey, the corporation's chief executive. The categorical assurance was given at the meeting.

Next month's changes will represent the fourth time the Corporation has made major price increase changes in a year.

Warning on effects of Windscale delay

EXTENDED delay to British Nuclear Fuels' application for outline planning permission to instal new or improved plant needed to reprocess fuel could affect the operation of the U.K.'s Magnox power stations. These were producing the cheapest electricity on the Central Electricity Generating Board Grid, Mr. Peter Mummery, BNF's North-West area general manager, said yesterday.

He told a public meeting called by the Cumbria County Council at Whitehaven the increased operations and investment for which the company was seeking planning permission at Windscale and Calder works. Cumbria would "not give rise

Business travellers offered cheap tours

By Arthur Sandles

BRITISH CALEDONIAN'S tour operating subsidiary, Golden Lion Holidays, has started package tours for businessmen travelling on its routes to West Africa and South America.

The tours should save those who are willing to plan ahead nearly half the costs.

There has been a considerable growth in business-oriented tourism recently as the travel industry has sensed a demand and the business community realises it can cut costs considerably.

British Caledonian says that a package tour can knock hundreds of pounds off a long-haul business trip.

Dinner

Inclusive tours in the programme in West Africa, South America and Europe provide air fares, hotel accommodation, transfers (in most cases), breakfast and sometimes dinner in first-class hotels at almost half the regular economy fare.

The company is offering seven nights, half board, in Freetown, Sierra Leone from £280 (there is a £3.50 nightly supplement for single room); 14 nights in the Lusaka Intercontinental from £515; and a £431 ten-day trip to Rio de Janeiro.

The drawbacks are that if British Caledonian does not get enough bookings it cancels the trip, and business visitors are considerably restricted in their ability to make last-minute changes.

Fire damage total last month was nearly £26m.

BY JAMES McDONALD

FIRE CAUSED damage in August totalling £25.8m, according to the British Insurance Association, and that excludes outbreaks in Ulster.

Four fires were estimated to have cost more than £1m each at a biscuit manufacturer, a hypermarket in Wales, a school in the south-west, and a steel manufacturer in the north Midlands.

Smelter hit

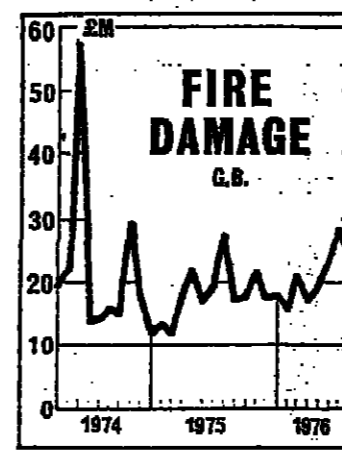
This brings the number of fires involving damage of £1m or over in the first eight months of this year to 22, compared with 16 for the whole of last year.

The figures represent material damage only, but include both insured and uninsured damage. They do not take into account consequential losses in production, orders and exports.

For example, a fire last week in British Aluminium's Invergordon smelter put half the plant out of action and will cost the company several million pounds.

Lost production and damage to equipment is still being assessed, but the plant may not be back in full operation for three months.

The association's estimate of fire damage last month compares with £23.4m in July and £27.4m in August, 1975. It brings the total fire damage figure for the first eight



months of this year to £166.8m, as against £139.8m in the same period of last year.

Of the 126 fires, each costing over £25,000 during the month, 43 occurred at places used by the public, such as shops, clubs, schools and hotels.

Hughes to head law inquiry

LORD HUGHES, a former Minister in the Scottish Office, was named yesterday as chairman of the Royal Commission on the legal services in Scotland. The commission will run parallel to a similar commission covering England and Wales.

Advertising and

COMMERCIAL TELEVISION

The battle rages

BY OUR MARKETING EDITOR

THE slugging between the advertisers (and their agencies) and the television companies continues. It gives case histories of the battle between the two sides, and the main impetus behind it. Below the line deals and away again at the light ITV viewer problem. The argument is basically over the rising cost of advertising on television, which can cost 40 per cent more than a year ago, compounded by the refusal of the ITV companies during the summer to do the usual deals.

The key issue at the moment seems to be whether a company with only £250,000 to spend can get worthwhile coverage on ITV. Young and Rubicam produces some data on this point in its latest Time and Space bulletin, comparing £250,000 spent on television in 1970 and in 1976. It or not, the Mirror reveals the subsequent heavy medium and light viewer ratings achieved.

Heavy viewers are no problem, but the ratings for light viewers fell from a worrying 418 in 1970 to a very dangerous 185 this year, and medium viewers were not getting many more opportunities to view. For Y and R this does not suggest a switch out of television—just changes in the way that campaigns are booked, plus even more attention to the creative element in commercials.

Another aspect of the story: FCB has been looking at the companies that advertise on television. In 1972 a MEAL analysis suggested that 603 products used TV, and 86 per cent of them spent less than £50,000 in the medium. Two-thirds of the remaining 45 per cent (£50,000 to £1m) spent between £100,000 and £1m, with an average spend of £253,262. In fact these advertisers accounted for 71 per cent of all the money invested on TV.

Now FCB has produced the same figures for last year and they indicate remarkably little change. The number of products advertised has risen by 14 per cent, to 6,898, but still £23.3 per cent, spend less than £50,000. Of the 812 advertisers in the £100,000-to-£1m band, the average expenditure was £253,783, a rise of just 2 per cent.

So budgets remain the same while what advertisers are getting for their money in terms of audience has fallen dramatically. FCB reckons that in 1972 a budget of £250,000 bought 1,468 adult rating points. This year the rating points will be about 764. So in four years there has been a drop of almost 50 per cent in the buying power of the TV pound.

With advertisers obviously reluctant to raise their budgets, the old impact of ITV makes it a second airing. However, the television companies have a case, and it is not often well put by Jim Shaw, sales and marketing director of Thames Television, in the latest Y and R bulletin. He points out that the cost of reaching 1 million viewers on Thames in 1972 has risen slightly less than the Retail Price Index. He points out that TV advertising is a fairly pure market, rising and falling in price according to supply and demand, and is not even increasing. It is 90 per cent share of total display advertising.

FCB's advice to advertisers is to be more tactical, to dominate during the advertising bursts rather than to dissipate—perhaps the fact that resources to concentrate on Annan Committee is a warning strong sales regions if there is not the cash for a national campaign, and to try and work out an advertising sales pattern for that, come the autumn, some each individual product. FCB concludes by returning to the year would be reflected in better retailer, manufacturer, agency programmes.

In all, the Mirror Group reckons that a third of the total TV advertising budget is spent on the 10 per cent of programmes that attract the highest ratings. This is a small amount of money each week for the total ITV viewers. In all the Mirror Group reckons that a third of the total TV advertising budget is spent on the 10 per cent of programmes that attract the highest ratings. This is a small amount of money each week for the total ITV viewers.

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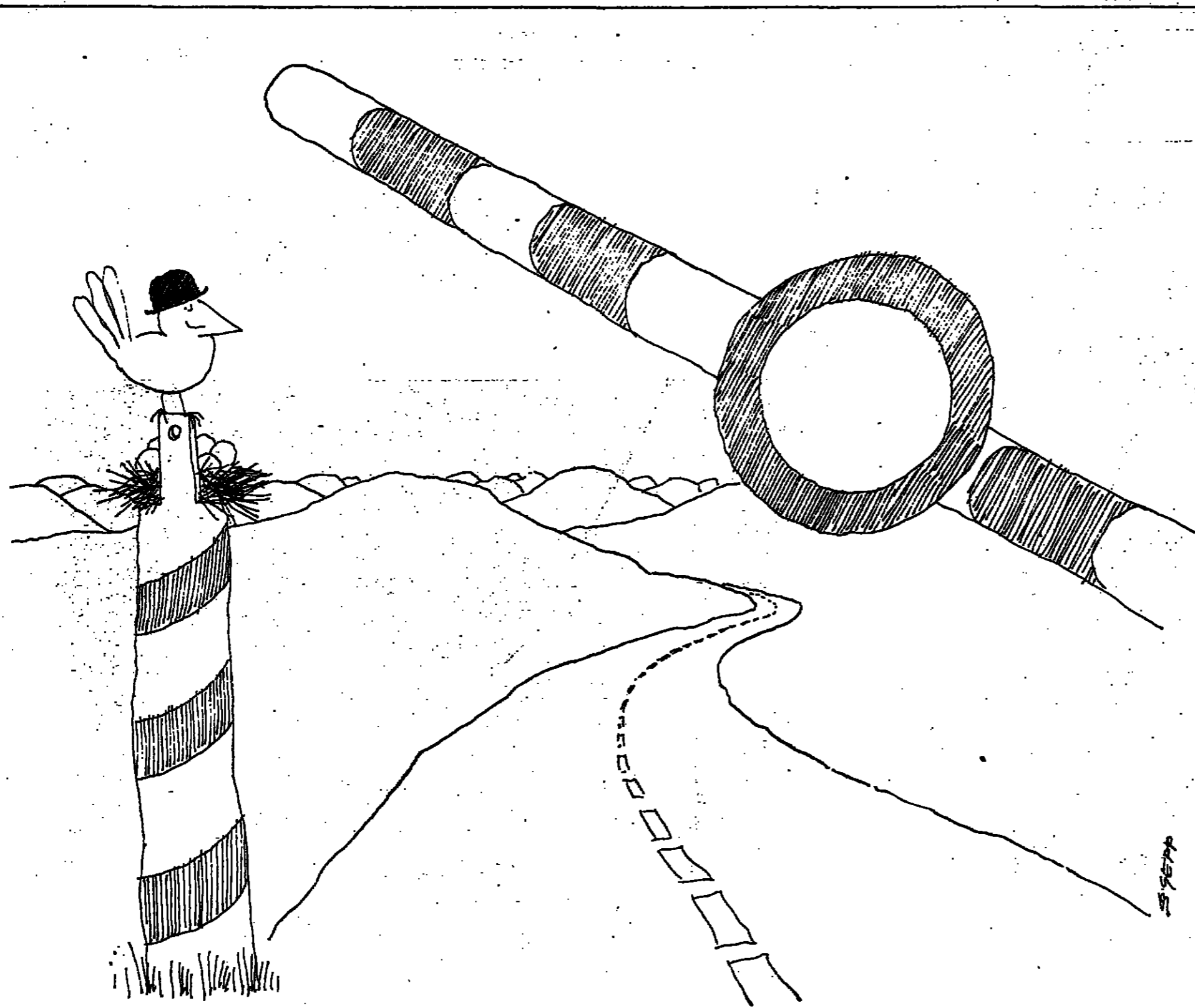
The right candidate, aged under 45, should prefer to be a graduate with trained thinking ability, at least years marketing experience and be capable of negotiating at purchasing and technical director level. He or she must be self-motivated and have ambition as the career prospects are excellent. Knowledge and experience of export marketing is essential and a knowledge of economics and fluency in another European language would be a distinct advantage. The applicant should be financially and statistically numerate.

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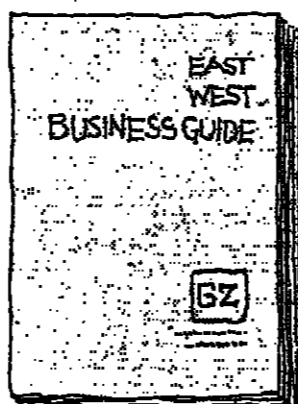
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The Marketing Scene

RECRUITMENT ADVERTISING

After the boom was over

ANTHONY THORNCROFT, MARKETING EDITOR

CTOR of the advertising industry has suffered a fall in recruitment advertising. In 1975, recruitment agencies were desperately trying to build up the consumer goods subsidiary. But in the main it will be a case of re-adapting to the more sober atmosphere which prevailed before the early 1970s boom.

It is not just the downturn in the economy that is stifling the demand for labour. Government legislation restraining firms from dismissing workers easily is making them less keen to recruit again, even when orders pick up. The salary freeze may be encouraging mobility among top managers, but lower down the scale there seems little incentive for middle managers, and below to switch jobs. So, all told, the number of recruitment advertisements has fallen by 40 per cent in a year, and although there were signs in the late spring of a revival in the increase in inquiries has since plateaued out.

But beneath the general feeling of stagnation there are some areas of growth. Engineers are still in very short supply, especi-

ally electrical engineers, and good accountants, lawyers, and computer personnel are required by those companies who have been unable or unwilling to develop internal training schemes.

Above all the export business is thriving, with the recruitment agencies needing all their ingenuity to find candidates for engineering jobs in the Middle East. The quietest sector at the moment is demand for unskilled factory labour, which is bad news for the free sheets, and for the provincial press, where classified recruitment advertising more than doubled between 1972-73 to £77m, and became by far the biggest category. If companies need staff the local job Centre's can supply them for nothing.

Austin Knight has produced some data showing how the Press has suffered by the fall in recruitment advertising and how the traditional recruiting newspapers have fared better than their competitors. In 1975-76 the Daily Telegraph carried 3,853 columns of situations vacant. A year later this had fallen to 7,104 and in the first half of 1976 the situation stabilised somewhat to 7,050 columns. The Sunday Times shows a similar pattern.

But newspapers which lacked the recruitment reputation of those two have fared less well, the Observer dipping from 1,361 to 389 in two years, and the Daily Express from 1,781 to 735. Companies can fill their vacancies

more easily and cheaply through recruitment agencies than by just one medium.

Even more dramatic figures are produced by Austin Knight indicating how the public sector, which was the fastest expanding, has now acquiesced to the Government's expenditure cuts and run down staff. For a time the public sector continued to recruit, which meant that for Austin Knight, which dominates this area, the recession in early 1975 left it immune. Then, suddenly last November, local authorities and Government departments stopped advertising. The specialist publications tell the story—in the first half of 1975 the Times Educational Supplement carried 12,960 cols. of advertisements; a year later it was down to 4,863. The Municipal Journal had shrunk from 2,160 to 832.

The apparent improvement in turnover on the managerial side may be mainly caused by the higher advertising rates of newspapers, but at least this sector is not as dull and unlikely to improve as local and national Government recruitment and unskilled work. The problem these days is that executive advertise-

PROPORTION OF ANNUAL SALARY EXPECTED TO BE SPENT ON ADVERTISING

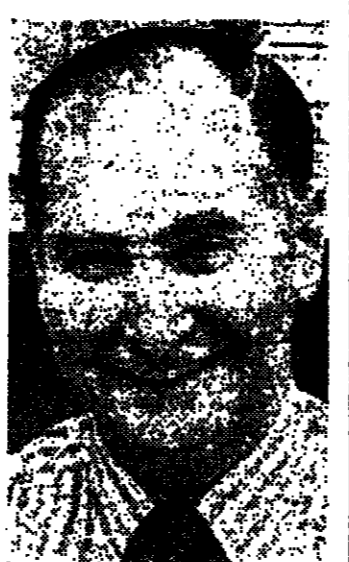
	% of salary	% of sample expectation
Management	under 5%	11%
	5-10%	46%
	11-15%	34%
Clerical	under 5%	5%
	5-10%	43%
	11-15%	11%
Skilled	under 5%	63%
Unskilled	under 5%	86%

RECRUITERS' RATING OF IMPORTANCE OF ELEMENTS IN ADVERTISING

Element	% Rating high
Description of duties	72%
The job title	61%
Salary	59%
The job location	37%
Experience required	37%
Academic qualifications	45%



Roddie Braithwaite



Ken Fordham

ally electrical engineers, and good accountants, lawyers, and computer personnel are required by those companies who have been unable or unwilling to develop internal training schemes.

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ments attract too many replies, which is burdensome and uneconomical for the recruitment agency. Austin Knight recently got 750 inquiries when seeking a managing director, suggesting that the pay curbs are making top managers reticent. Charles Barker has just received 315 applicants for an overseas assignment.

Roddie Braithwaite, chief executive at Charles Barker Recruitment, has seen his company's billings fall from £8.4m. in 1974 to £5m. this year, mainly because its biggest client is the Post Office. He sees some revival in 1977 (indeed, the Post Office has started recruiting for postmen again in certain areas, a significant development), but no great recovery, for which he is glad. "We never enjoyed the 1973-74 boom. It was hell."

by the Civil Service, which spent £800,000 in direct advertising. These days the cost per new employee must be considerably cheaper.

The AA survey also stresses the point that even in a period of high unemployment (and when the number of unemployed exceeds the 750,000 mark the recruitment agencies know that they have entered a tough period) there are still vacancies in certain jobs. This is called the "overlap paradox" and is best underlined by official figures.

In May, 1975, for example, when unemployment exceeded 750,000, there were 22 traffic wardens unemployed as against 456 vacancies; 978 nurses out of work while 3,465 were sought; and 188 miners seeking employment while the mines need another 2,248. Policemen and bus drivers were also in short supply. This should give the recruitment agencies some encouragement for 1977.

All in all, recruitment advertising will take its allotted place in the advertising cycle, being the last area to dip and the first to rise again in the next boom, except that the companies involved do not expect another boom before the 1980s. If then, the actual rewards for work done in this sector are good, but the business is so transitory, so fickle, so affected by Government legislation on the lines of equal opportunities for women and equal pay, that it is a very hard way to make a fortune.

Ford's £20,000

Also encouraging, at least about the managerial recruitment side, is Tony Moxon of the Burnett Breakaway, Moxon Dolphin, Kerby. He points out that his firm, Ford, is now spending £20,000 a month again, and reckons that billings might reach £3m., putting the agency not far behind entrenched competitors like Whites, Rileys, and Mather and Benson.

It is perhaps timely that just as the recruitment advertising world is starting to believe that the worst is past the most comprehensive survey of its business has been published by the Advertising Association. Entitled "Com-

Boase sells to Univas

BY ANTHONY THORNCROFT

UNIVAS, the French based international agency group, has acquired 50 per cent of Boase Massimi Pollitt. The deal, yet to be finalised, is hardly surprising since BMP is one of the last of the successful British agencies without international links and an assured financial future.

Univas recently the owners of BMP, could have expected a profitable Stock Exchange quote for an agency which has grown to billings of well over £10m. in eight years, but the souring of the Stock Market, and the lack of American agencies still interested in a prosperous London link, has considerably reduced the options.

As things stand the Univas deal is good for everyone. The ten owners of the agency, with names like Boase and Stanley Pollitt, are each owning a 20 per cent share, and are believed to benefit to the tune of a £12m. offer by Univas. But the staff also gain, since a half of the agency will be given to them through a Trust, which will steadily acquire shares over the next few years.

The new agency will officially be known as Boase Massimi Pollitt Univas, but the day-to-day

operation will continue under BMP, and the current management and the two main shareholders have both signed five-year contracts. For Univas it is a typical deal. It has equal share ownership with 22 agencies across Europe, and including its stake in the U.S. agency Needham Harper & Steers, has an international billing in excess of £300m.

For BMP there is the opportunity of extra business from overseas links, both from the Univas agencies in Europe and Needham Harper Steers in the U.S. For Univas there is the chance of a stable British link at last. In the past it has had bad experiences in London, getting together first with the Kimpher Group, a relationship which, in theory, still exists.

For the staff of BMP it is a unique development. Over the next few years the Trust will acquire shares in the new operation until it owns 50 per cent. Any profits accruing, and in the last financial year the agency made a pre-tax profit of around £400,000, will be available for distribution in bonuses or pension schemes.

BMP has a good reputation, particularly as a television agency. Its clients include Cadbury, Courage, Pepsi-Cola, Unigate, CPC, and the COL. They are all happy with the change in ownership. The two subsidiary agencies owned by BMP, Samuel Jones Isaacson Page and Media Audits, will both be buying their independence.

All told it seems a good deal. BMP gets the international links which are hard for a U.K. agency to develop, and the owners get a large financial reward for their success. The employees of BMP benefit from owning half the equity, and Univas gains from acquiring half of one of the most profitable and expanding British agencies.

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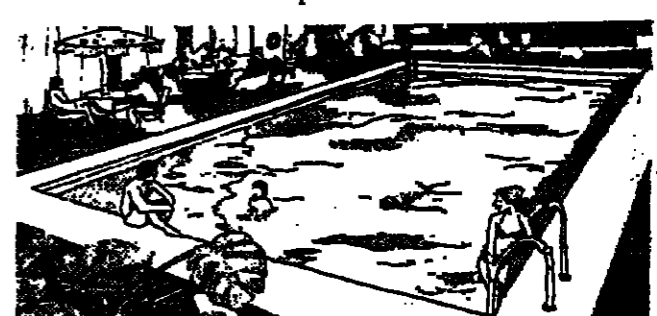
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For more information and a copy of "The Southern Holidaymaker" contact Brian Henry, Marketing & Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone 01-834 4404.

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THURSDAY, SEPTEMBER 30, 1976

Conditions of a Fund loan

THE EMERGENCY credit put together by the world's main central banks last June in an attempt to revive confidence in the future of the sterling exchange rate would probably have had to be refinanced with the International Monetary Fund in any case before the end of the year. But the fact that the credit has failed so quickly to achieve its purpose, that the exchange rate has fallen steeply and that the Chancellor has had to ask the Fund for a massive stand-by credit while cancelling his plans for attending its annual meeting next week requires more explanation than a reference to being blown off course.

The first thing to be clear about is the mood in which the June credit was arranged. Those who put up the money, not least the United States, were determined that it should be a last chance for the Government to put its monetary house in order voluntarily: if this failed, officials made it clear at the time, Britain would have no choice but to call on the Fund for credit and to accept the rigorous monetary conditions which the Fund would lay down. Yet this mood of urgency was not reflected in the behaviour of Ministers. The Chancellor has admittedly given a rough indication of how fast he expects the money supply to grow this year, but it is not a firm target and the latest figures are not easy to reconcile with it.

DCE growth

What is still more important from the point of view of our creditors, however, as it will be from the point of view of the Fund, is the sharp and continued rise in Domestic Credit Expansion, which is regarded as a more accurate indicator of monetary conditions. They also took it for granted, rightly or wrongly, that the Government intended to cut public expenditure by £2bn. Instead of this there has been a series of cuts, the real effect of which is often regarded sceptically abroad, together with an increase of £1bn. in taxes on the private sector. Confidence in the Government's readiness or ability to put the country's financial house in order has been shaken, and this is all the more important because we have not only a current account deficit to finance but large sterling balances free to leave London.

These balances can be kept in London — short of a new means of dealing with them, which is long overdue — only by maintaining confidence in the Government's ability to check and reverse the steady fall in the value of sterling. But this it has failed to do. Apart from its failure to keep the money stock under strict control — and any limit on its growth is to some extent arbitrary — it has seemed to foreign observers to be over-preoccupied with political measures which are at best irrelevant to our situation and more likely to worsen it. The foreign investor does not warm to proposals, even if supported only by a minority of ministers, for nationalisation of banks and insurance companies, especially at a time when voluntary wage restraint — widely held to be one of the Government's most impressive achievements — may be threatened by the terms on which the seamen's dispute was settled.

Political artistry

The Government may argue that it has conceded a great deal less to Labour's left-wing than it has been asked for. But it has conceded a number of measures over the past couple of years, many as part of the "social contract", which the country cannot afford at present even if there were no doubts about their desirability. It has created the effect of a Nero, fiddling away with great political artistry while the town burns, and an increasing number of people are beginning to wonder whether it is not spending an utterly disproportionate amount of time and effort in accepting or staving off the demands of those who represent only a small proportion of the electorate. There is coming to be seen a clearer opposition between what is economically necessary and what is conventionally regarded as politically practicable.

The point which must surely be obvious now is that more weight must be given, whatever conditions the Fund may or may not impose, to what is economically necessary. No doubt there is a body of opinion within the Labour Party which will regard the possibility of "dictation" by the Fund as a further argument in favour of full-scale import controls and conducting a siege economy. But, as the Chancellor himself pointed out only last week-end, this is no answer to the problems of a country so heavily dependent on exports as the U.K. Quite apart from the near-certainty of retaliation, at a time when other countries too have unemployment problems, protection is precisely the worst way of improving the efficiency of British industry.

Spending cuts

The alternative is to tighten the money supply more effectively — a process which, as the experience of Germany has recently shown, may well reduce unemployment by bringing down inflationary expectations. Higher taxation is not compatible with the aim of expansion at a much-reduced rate of inflation. Borrowing to cover the deficit in a way that does not push up the money supply seems possible only at rates of interest which make new capital investment in the private sector unattractive. The only remaining choice is to cut public expenditure still further, especially in those areas which absorb large amounts of relatively unproductive manpower. There will be strong opposition, without doubt, from the unions principally concerned. But conventional ideas of what is politically feasible will now have to be revised.

ANTHONY HARRIS ON THE STERLING CRISIS

Why the speculators are not to blame

IN THE 15 months from March 31 1975 to June 30 1976 sterling fell against the dollar by a little over 26 per cent. Over this period the current account deficit was a little over £1.7bn., and in the same period the official reserve holdings of sterling of other countries were run down by £1.8bn. All but about £300m. of the selling was done by OPEC countries.

In other words, selling of sterling by foreign central banks, or "portfolio diversification," as it is politely called in official communique, was a factor in the exchange markets than was the need to settle the balance of payments deficit. What has happened since then is purely guesswork; but the current account was in deficit by about £500m. in July and August, and market estimates of further official selling by foreign holders is about in line with this. Broadly, over 18 months, it is true to say that for every dollar we have had to borrow to finance the balance of payments, we have had to find another dollar to buy out a foreign holder of sterling.

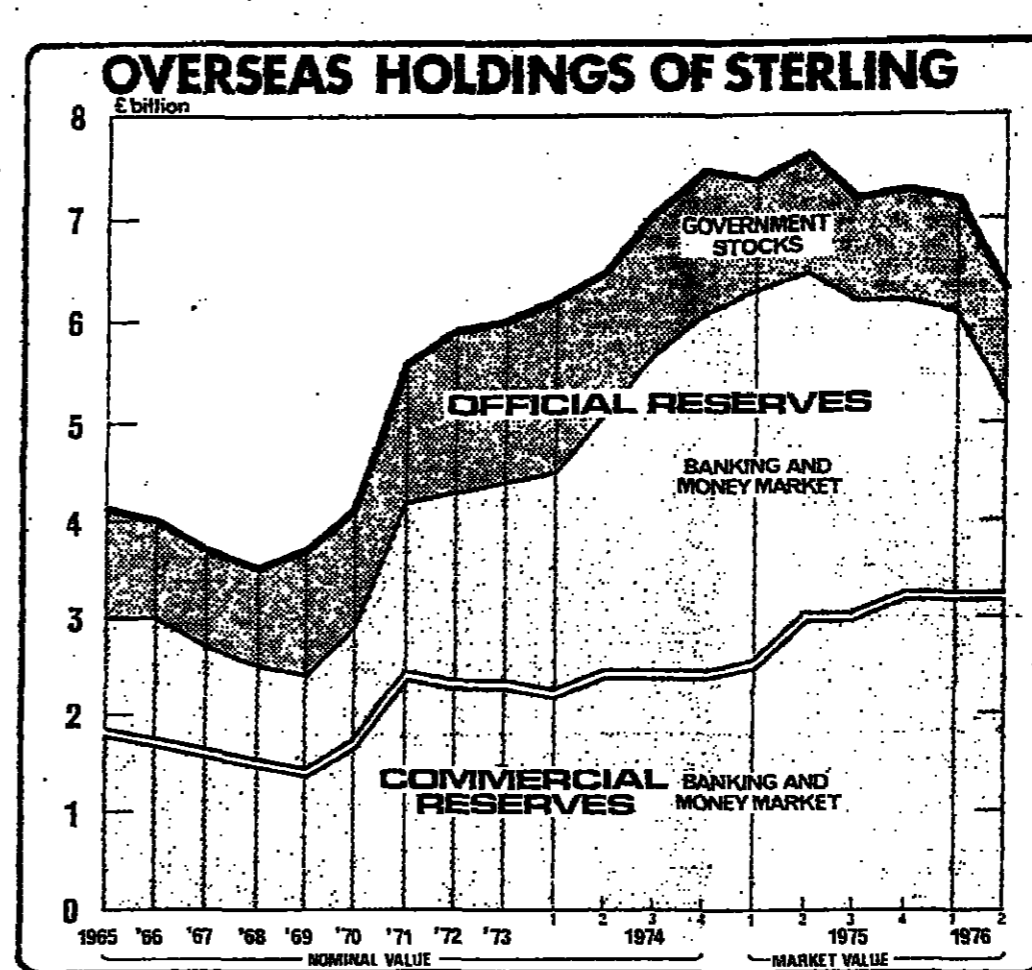
What has happened since that extraordinary spring, when the pound still stood at \$2.40, despite a domestic inflation which was already running at an annual rate of more than 30 per cent., is an official nightmare come true. The problem of the sterling balances has preoccupied the Treasury, at periods ever since the war, and especially in the last decade.

The existence of large reserve holdings of sterling has always tended to amplify the problems of financing the British balance of payments. Because not altogether unreasonably holders tend to like sterling when the balance of payments is strong, and to unload when it is weak. Thus, for example, the strong turnaround in the balance of payments after 1968, which led to an accumulated surplus of £3bn. over the three years from mid-1969 was accompanied by a build-up of foreign holdings of sterling of about £1.5bn. The process was greatly assisted by what became known as the "Basle guarantees," which effectively enabled foreign holders to enjoy sterling interest rates without any corresponding risk from the exchange rate.

Unresponsive market

What is more, this kind of market is by nature completely unresponsive to the kind of delicately-judged market intervention which the officials of the Bank of England have made such a fine art. Fairly modest official purchases can most effectively discourage outright speculation. If they are skillfully timed, for two reasons: speculators are selling borrowed currency, which they must buy in due course, and they can therefore be panicked into buying by Mr. Callaghan. But as every quite modest price movement against the trend they are backing, for fear of a further adverse change; and the authorities are by far the biggest potential operators in the market.

They are powerless, however, against portfolio selling, for the exactly opposite reasons: portfolio sellers are under no compulsion to buy, and may take any upward movement in the market as a favourable opportunity to redouble their sales. They have far bigger liquid resources than the authorities.



Therefore the two large downward movements in sterling this year have each gathered a seemingly unstoppable momentum. The large expenditures which have been made from the reserves have simply helped foreign holders to switch into other currencies. There has been little speculative selling, as can be seen from the remarkable stability of the private overseas holdings of liquid sterling, and there is no possibility of speculative buying on a sufficient scale to offset continued official selling.

Readers may find it difficult to believe that the problem of sterling is essentially a problem of official balances when every day's news proclaims that sterling is falling because of the seamen, the miners, or because of a speech by Mr. Wedgwood Benn or even by Mr. Callaghan. But as every intelligent broker knows, capital markets move in response to the weight of money, and find "reasons" afterwards. The British economic situation was in fact much worse in the first half of 1975, when sterling was strong, than it is now, with huge wage increases, accelerating inflation, and a current account deficit which totalled £3.3bn. in the year before the exchange rate began to respond. A market which could then explain why sterling should have risen seven cents against the dollar in six months can explain any rate of interest which would compensate holders for the expected decline in sterling would provide an adequate system without guarantees.

Considerable expense

Subsequent experience of floating was not so happy, and the guarantees had in the end to be honoured at considerable expense. Since the Treasury did not like paying compensation, and holders did not wish to commit themselves to holding sterling indefinitely even under the guarantees, the scheme was abandoned. It was felt that a realistic exchange rate policy which proved impossible to carry out — accompanied by a

just played, profligate Britain is seen in distress. In the sea of her friends offer her assistance of a permanent kind provided she will first amend her way of life. In the third Britannia has reformed: this has such a salutary effect on market sentiment that the problem appears in retrospect as nothing more than a symptom of a trouble now cured, and nothing is done. Preliminary hints from the U.S. and Germany sound rather like extracts from the well-thumbed script.

However, the disturbances in floating exchange markets, and the potential disturbances of world trade arising from British problems are now so threatening to other countries that a more determined effort will be made this time. In any case, it is not certain that any foreign assistance is strictly necessary. The City is full of a number of ingenious schemes for the issue of British Government securities denominated in dollars or SDRs, and are carrying interest rates appropriate to dollar or SDRs (though in each case a little higher) in which foreign trade partners could hold their reserves without losing any sleep. Hitherto the Bank and the Treasury have been deeply horrified by the admission of weakness implicit in a non sterling issue; but now that the weakness is a highly publicised fact, it may be easier to admit to it.

Already a debt

One final point perhaps needs making: any attempt to fund the sterling balances with overseas help will certainly be greeted with headlines about "massive new loans" (or even, in one London evening paper, "Back to the begging bowl"). This is only true in a very limited sense: foreign holdings of sterling are already a U.K. debt, and funding is not a question of new borrowing but of refinancing, converting liquid holdings into a long-term form with a denomination acceptable to the holder. Like an under-capitalised bank or an over-gear company, Britain has always needed long-term finance; but as in company affairs, the need only becomes apparent when the short-term position is also pressing, and the existing assets go to a heavy discount. As with a company, the essentially manageable problems of checking inflation, correcting the balance of payments, and the Government deficit are terribly amplified by the financial weaknesses not only in this country, but in the rest of the world. Unhappily there is a routine drama may indeed be insoluble unless in these matters which may be played again. In the first act, first.

MEN AND MATTERS

The thoughts of...

I usually find question-and-answer sessions with leading politicians, whether in print or on the air, strictly unenlightening. But seeing how the economic events of the last few days have caught the Government on the hop (vide Denis Healey's lightning in-and-out visit to Heathrow Airport), pre-crisis interviews with the Chancellor only now published have a certain fascination. A couple arrived on my desk yesterday: one in Barron's, the respected American financial weekly, and another, a rather less weighty piece, in the magazine Industrial Management.

First, the Industrial Management session. Healey described some companies' reaction to Government tax concessions as "grudging and complaining," underlining the tone of the article's heading: a nice bit of bluff Yorkshire Healey aimed at the mass of management: "It's time to cut out the moaning." Management had got to get used to consultation with workforces a la Scandinavia. Germany and Austria and Healey reported industrialists from those countries "staggered" at the resistance here to consultation.

There are interesting references to the question of taxation levels, and a difference of emphasis in the two interviews. In Industrial Management, Healey said: "The level of taxation for middle managers in industry is probably acting as a disincentive and I want to relieve it." To a Barron's question on tax rates, he said: "As for individuals, I definitely do think the present level of taxation serves as a disincentive and those rates must come down. We have the wrong balance in this country between our direct and indirect taxation. Once we've cut inflation, we can turn to more reliance on indirect taxes like VAT and customs and excise duties."

August... I do hope no parsnipy U.S. foreign exchange men took that seriously. But what about Healey's concluding thought? "Governments don't win elections, they only lose them. So we'd have to do something that would cause us to fall out of favour with the electorate, and I don't believe there's any indication yet that that's been the case."

Comrades... Naturally, I hope that the Chancellor of the Exchequer is successful this time round in saving sterling from recent horrors. But if the dive is resumed, it is not likely to be the dollar but the rouble that achieves the status of the "first major world currency" to be "one for one" against the pound.

Back in 1970, £1 was worth 2.15 roubles. A year ago it had dropped to 1.66 roubles. Today it will buy you 1.23 roubles, an effective devaluation of 38 per cent. on its "pre-Smithsonian" level. At the same time, the rouble has strengthened against the dollar. Once worth exactly the same, £1 now buys you only 72 kopecks — just about right, incidentally, for a tot of vodka.

Not, of course, that these dramatic realignments have taken place as the result of hectic trading on the Omsk foreign exchange market, or whatever. The rates are set monthly by the Soviet State Bank on a mystic formula that's yet to be fathomed by Western bankers. But if the thought of a one-rouble pound depresses you, take heart. The rouble is still only worth 35p on the black market.

Extra help? Among the fleet of TV outside broadcast vans parked outside the Treasury yesterday preparing for Denis Healey's crisis statement were two large blue lorries belonging to the National Blood Transfusion Service.



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FINANCIAL TIMES SURVEY

Thursday, September 30, 1976

The Philippines

The choice of Manila as the venue for the World Bank and IMF meetings has focused attention on the Philippines and the Government of its President, Ferdinand Marcos. Despite the authoritarian nature of his rule, the country has seen the beginnings of far-sighted economic reforms and a programme to encourage foreign investment.

Steady hand in the helm

Douglas Ramsey

IS FOUR YEARS since martial law was declared in the Philippines at the height of an violence, economic decay, insurgency in the Moslem th-of-the country. To-day it is hard to find evidence of the which Ferdinand Marcos to me dictatorial powers. The country of 42m. leading for its third straight r of real growth by nearly cent of gross national duct.

he Philippines enjoys one of highest international credit ngs of any so-called develop- country. Fighting between army and members of the ro National Liberation Front the south still breaks out, radically, but the threat of session has now faded and is what Marcos wants and needs a large number of Moslem

rebel leaders into stopping the fight. There is still a Communist "apparatus," but the New People's Army has never posed a major threat to national security and most of its leaders are now in jail.

So Marcos has apparently done what he would do (end the violence and promote prosperity) and what he meant to do (cling to a Presidency he would have had to give up at the end of his second elected term in 1973). The timing of martial law was not entirely coincidental, and opposition politicians claim unequivocally that Marcos's supporters were behind the worst of the violent scenes in Manila. But it is a measure of Ferdinand Marcos's success and skill as a politician that in 1976, in spite of all the speculation as to who will succeed him if he dies, neither friend nor foe can envisage a successor during the President's lifetime.

Indeed, President Marcos has never looked quite so secure in his job as he does on the eve of the IMF and World Bank meetings in Manila, and the fact won't be lost on the 5,000 bankers and officials attending.

Manila has become a snow-place in the 10 months since the First Lady, Imelda Romualdez Marcos, was made Governor of the Metropolitan Region. But white-washed fences, newly tarred roads and luxury hotels will not be enough to convince the international financial community that the Philippines is now ready for a massive influx of foreign investment. Yet that is what Marcos wants and needs if the economic reforms of what

he calls his "new society" are not to founder.

The president, bluntly speaking, has more at stake on the fallout from the IMF and World Bank meetings than is commonly thought. He derives what ever legitimacy his undemocratic rule deserves from the far-sighted and successful beginnings of economic reform carried out during four years of martial law.

Distribution

Along with a steady rise in gross national product, the Philippine economy has undergone a fundamental shift in income distribution, which, while detectable, is not yet quantifiable. The mainstay of this programme is land reform, but like all far-reaching projects this one is slow to get under full steam. The government is still juggling with mechanisms to speed up the process, but only a few percent of the country's tenant-farmers have already been given their own land.

Through the building boom in Manila and major infrastructure projects in the south, many more workers have been drawn into the wage (as opposed to subsistence) economy. Industrial workers last May got their first rise in minimum daily wage since the late 1960s. And the struggle to hold a few families had on the economy has been broken, although pro-Marcos business interests seem to have escaped the worst.

None of these gains will last long without much higher levels

of gross domestic capital formation. Land reform, as now conceived, will only work if large sums of credit are made available to new farmers, and the government has still to buy back most of the land which will ultimately be re-allocated. Already there are grave doubts that the construction boom can be sustained.

The Secretary of Economic Planning, Mr. Gerardo Sicat, says projects have been designed to absorb the whole of the new construction labour force, but only half the investment will have to come from outside the Philippines. Even the new industrial pay scale, which is only marginally higher than before, will have to be dropped unless money is found to maintain the high level of activity (and low unemployment) needed to sustain a minimum wage.

Until now, the economy has been carried on the backs of record high export earnings during the 1972-74 world commodity boom and huge borrowing abroad. The latter has pushed the Philippines' external debt from \$2bn. at end 1974 to over \$4.5bn. to-day, although it is covered partially with international reserves of nearly \$1.2bn.

But there are limits to borrowing abroad, and the Philippines is now pushing the tripwire. The spurge began for- tuitously at the tail-end of the commodity boom and was initially meant to offset the quadrupling of the Philippines' oil bill (imported crude oil accounts for about 90 per cent. of energy requirements). Then, and his foreign policy, while

as those export earnings began to fade, borrowing became vital to cover mounting trade payments deficits which culminated in the record \$1.2bn. trade gap last year. And in 1976, turned to the nearly 30 per cent. estimated rise in public spending, public as well as private interests have already amassed (in actual borrowings or credit lines) some \$2bn. Finance Secretary Cesar Virata insists that debt servicing is being kept not just within statutory limits but within much tighter bounds but that only applies in this year. Something must be done to avert an exchange crisis in three to five years' time unless the Philippines can find the spare cash in another major world boom.

President Marcos knows he cannot wait around for world booms: he wants a boom of his own. The country could not possibly keep up borrowing at the present rate, and by its very nature the developing Philippine economy is not yet able to generate the needed funds internally. The last resort, then, must be long-term capital inflows principally in the form of foreign investment, and Marcos has delegated to his economic advisers the task of getting that investment by any means available.

Investment

There is every reason to believe, moreover, that the government's policies on foreign investment will attract long-term capital. The Marcos regime has proved remarkably stable; plant martial law. Thereafter,

seeming to bite the American hand that fed it, really only forecloses the option of other countries to incite rebellion in the Philippines.

In the economic sphere, the country has large reserves of minerals, possibly even oil in commercial quantities, and is an efficient producer of important soft commodities including sugar. It therefore stands to gain from international efforts to stabilise raw material prices and earnings worldwide. Foreign investors can count on one of the best government teams in Asia for correct decisions in the economy.

Messrs. Gregorio Laceras of the Central Bank, Virata at Finance, Sicat at Planning, Arturo Tangen at Agriculture and Virente Paternu at Industry are all first-class technocrats, and all but one (Sicat) have long experience in private business. As long as Marcos stays, the team stays—there have been no reshuffles since martial law was declared.

One-man rule will not disappear, to-morrow even if the institution of martial law is dismantled, as is likely, before the end of 1977. Marcos is now devoting much of his energy to transformation of the political system without abandoning, for the moment, his powers to rule by decree. The October 16 referendum will probably show (a) resounding support for martial law as well as (b) a but less support for elections in 1977 for a new legislative body.

A new legislature would, as Marcos sees it, amend the constitution to give the President "emergency" powers to sup- plant martial law. Thereafter,

Marcos will have to decide a time-scale for introducing a parliamentary system of government as already prescribed in the constitution, presumably guaranteeing to him, Marcos, a further stay in power as prime minister.

Can anybody or anything upset these plans? At present it seems doubtful and Marcos has only himself to thank for this. The opposition is in disarray. The wealthier former senators, or many of them, are in American exile, simplifying Marcos's effort to brand them lackeys of the United States. The most prominent opponent and former Liberal Party leader, Senator Benigno Aquino, is still in prison along with many other political detainees. Others were detained then released, but few can speak in public under the terms of their releases. Criticism of martial law in the Press is non-existent, first via censorship, and then, abandoning it, via ownership of the Press through friends or family of the President or his wife. What is left is an assortment of rank-and-file clergy, the underground Communist party, the few former politicians who still speak their minds and what's left of the Moro secessionist movement in the south. Hence, Marcos has cut off all channels through which new leaders might emerge, and the one charismatic figure, Senator Aquino, is no longer in a position to rally the opposition.

There is even less chance of a challenge from within the Marcos entourage. The President took care to recruit technocrats rather than politicians for

the key government posts, a policy beneficial to the running of the country as well as his own security. The army has not bridled at strong civilian leadership. Partly because the military is surprisingly apolitical, and partly because the Commander of the Philippine Constabulary, General Fidel Ramos, although a Marcos relative, is held in high regard throughout the military establishment. Only in the unlikely event that Marcos were to name his wife, Imelda, to succeed him could the army conceivably step in and take power.

So it is safe to assume, barring the untimely death of Marcos, that the Philippines is headed for a lengthy stretch of authoritarian but stable government which understands the pre-occupations of foreign businessmen without agreeing to sacrifice economic reform at home.

BASIC STATISTICS

Area	113,820 sq. miles
Population	42.5m.
GNP (1975)	113.3bn. pesos
Per capita	2,658 pesos
TRADE (1975)	
Imports	27.9bn. pesos
Exports	16.4bn. pesos
Imports from U.K.	£54.6m.
Exports to U.K.	£40.6m.
Currency:	₱1=12.50 pesos

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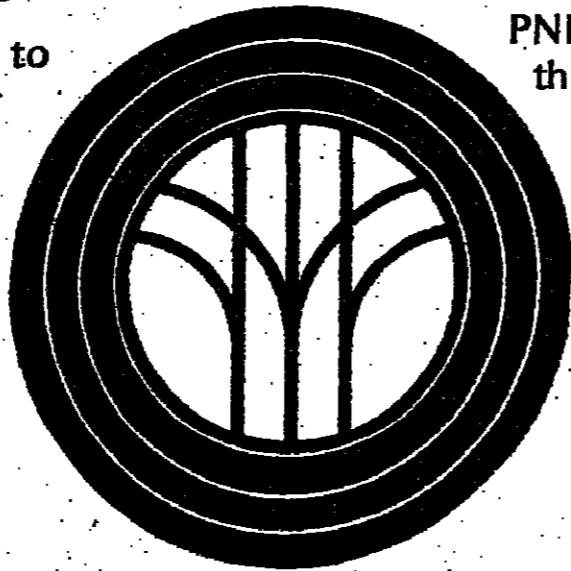
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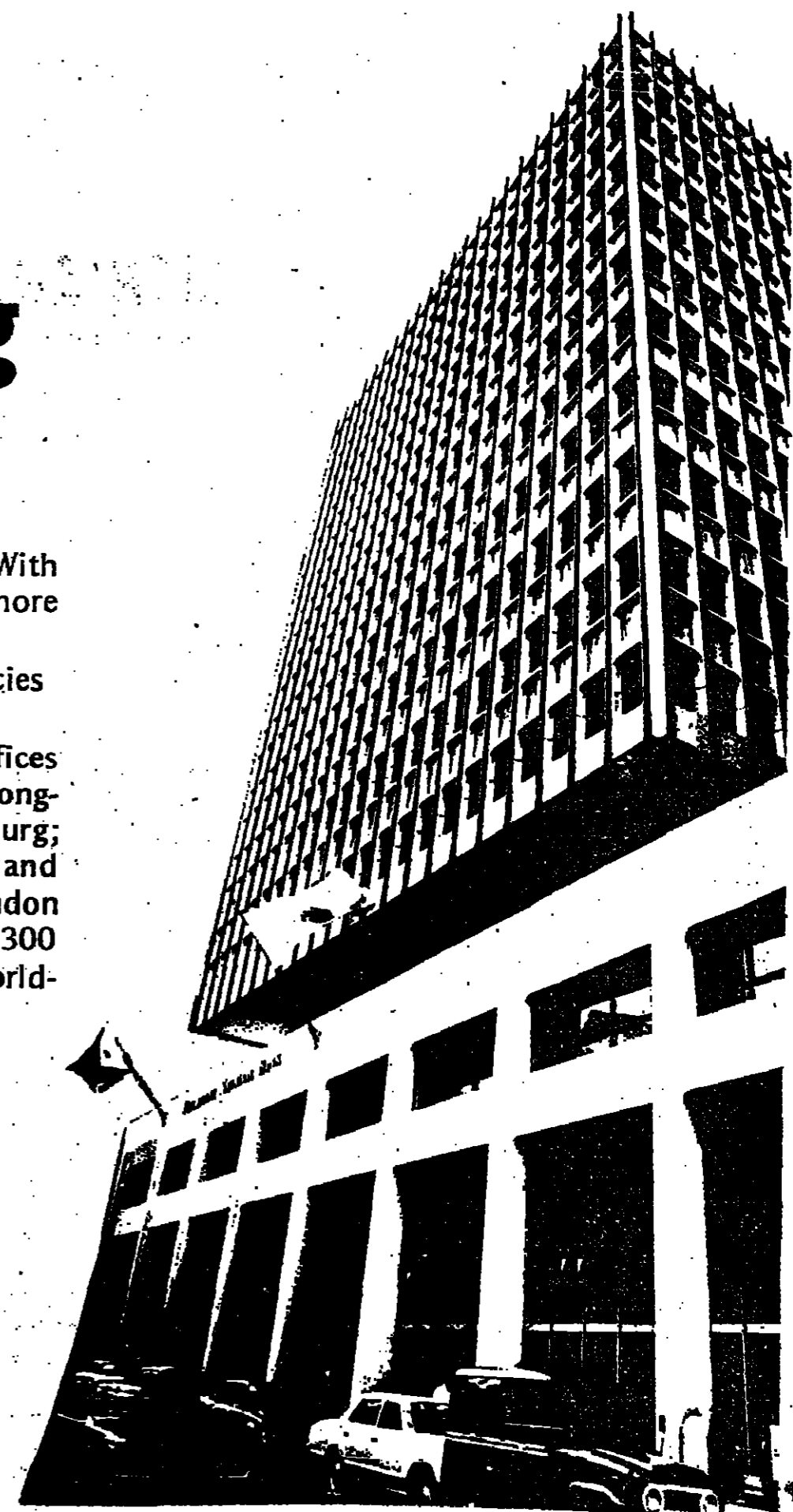
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THE PHILIPPINES II

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The Philippines is pulling out of
the recession more easily than most non-oil producing
Third World countries. Future economic success hinges on the ability to sustain
the present level of activity and also narrowing
the external payments gap.

A changing economy

FOREIGN exchange reserves held by the Central Bank of the Philippines amounted to over \$1.5bn. at the end of August last, equal to over five months' imports. That is approximately the average level of reserves during the 1973-74 commodity boom when Manila cashed in on its exports of copper, sugar and other soft commodities.

Has the oil crisis and world-wide recession made no dent, then, in the country's ability to earn foreign exchange? Of course it has. Since 1974 the Philippines has had to beg, steal and borrow the money to top up its reserves, pushing its external debt from some \$2bn. to just over \$4.5bn. in September.

The money is being used, sometimes lavishly (on conference centres, luxury hotels), sometimes wisely (on infrastructure and land reform). To the foreign eye, it has spurred a most incredible boom, particularly in Manila, and one is tempted to assume that it must be a cosmetic to hide the ravages of every developing economy—underdevelopment.

On close examination, though, the economy is undergoing change, too, and change for the better—if perhaps not as fast as metropolitan Manila's transformation would have it seem. The country is pulling out of recession more easily than most of the non-oil-producing Third World countries, even though the Philippines still counts on imported oil for a full 90 per cent. of its energy requirements, and paid over \$800m. for it last year (or more than four times the fuel bill in 1972).

Oil discoveries earlier this year may or may not prove commercially viable, so the country has still to rely on costly foreign oil. Nevertheless, this structural imbalance (which accounts for over half the chronic trade deficit) need not deter growth.

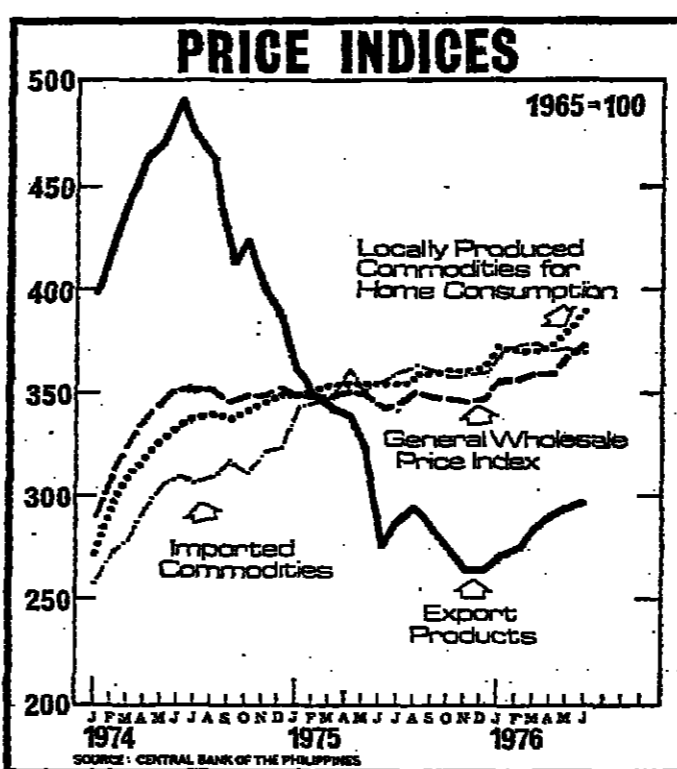
Real Gross National Product (GNP) never sank to the marginal or negative growth rates affecting industrialised countries during the recession. GNP at constant 1967 prices grew by 9.9 per cent. in 1973, slowed back to 3.8 per cent. in both 1974 and 1975, and will probably rise by about 6 per cent. for 1976 as a whole, although figures for the first half show it running a bit behind last year. But because the Philippines is so dependent on foreign exchange earnings, GNP figures are disproportionately affected by world trade and price movements, not just of fuel but also in the sectors (such as sugar) from which the country gets much of its export revenue.

Recovery

Since production figures show there has only been a slight recovery from the low levels of 1975 in both agricultural output and industrial production, it is hard to see where growth is coming from. So apart from exports (and perhaps oil) the optimists' view of the Philippine economy must of necessity be based on the extremely high level of investment so far in 1976.

Figures just released for the first half show that total investment in projects registered with the Board of Investments (BOI) amounted to 993m. pesos (\$133m.)—up 14 per cent. on the level of investment in all of 1975—with a little less than half the total coming out from foreign sources.

More important than the total sums, though, is the direction of new investment. In a separate review of investment for the early months of 1976, the Central Bank detected



major increases in investment in the transport, construction, mining and commerce sectors, and concurrent drops in investment in real estate (over-supply of office and residential premises), banking (after the reorganisation of the sector), and forestry, fishing and live-stock raising—in this last sector for so far unexplained reasons (and despite huge new investments in the agro-based industries, mainly food).

According to Mr. Cesar Virata, Secretary of Finance, real GNP could rise by as much as 6.5 per cent. this year, reflecting not just higher export earnings but also the sustained level of economic activity prompted by the large inflows of foreign capital. The Philippines' external debt is still rising, but seems to have been kept (so far) within controllable bounds. Preliminary estimates put the total debt at end-June at \$4.5bn., showing an 18 per cent. rise on the end-1975 figure.

However, says Mr. Virata, debt servicing is still within the statutory limit of 20 per cent. of the three previous years' imports. He estimates present commitments at a 15 per cent. level, though private economists put it closer to 17 per cent. The Central Bank, meantime, conservatively estimates the debt service ratio will be 12 per cent. in fiscal 1977 and 13 per cent. the following year.

External debt in the Philippines is a crucial factor in the relative strengths of the public and private sectors, so it is worth a closer look at the breakdown. Private borrowings constituted the lion's share of foreign borrowings in the first half of 1976, much as they did last year, and outstanding debt at the end of the first half is reckoned at \$3.1bn., up 17.2 per cent.

Debt

The Central Bank's outstanding debt grew much more slowly in the first half, by some 9.3 per cent. to an end-period total of \$818m., while Government debt (separate from the Central Bank's) expanded by an unprecedented 25 per cent. to push its outstanding obligations to \$1.5bn. That means, briefly, that Government's share of total external debt increased from 32.3 per cent. to 34.2 per cent. of the total in the space of only six months, an alarming trend which is likely to continue up to the end of 1976 and beyond.

All this debt has resulted from a strong upsurge in borrowing abroad this year. Long-term capital inflow during the first six months totalled \$382m. (\$50m. in direct investment, \$78m. in Government borrowings, and \$250m. in new loans taken out by the private sector).

By comparison, long-term capital arriving in the corresponding period of 1975 amounted to only \$216m. Then, too, this 76 per cent. rise in inflows far outpaced the parallel 21 per cent. jump in long-term capital outflows for the period, indicating a certain amount of confidence in the strength and future of the Philippine economy.

That confidence, moreover, is evident from the Philippines' tremendous success in borrowing abroad. In the first six months alone its handsome credit image permitted it to soak up \$812m. on the Euro-markets alone, and the Government has negotiated commercial credit lines worth over \$1bn., not counting available balance-of-payments funds from the IMF's extended facility to com-

cludes not just money supply but also time deposits and savings (rose by some 26 per cent., just ahead of domestic credit (25 per cent.).

But liquidity, of course, is a put clear emphasis on labour investment (good) and prices to bring more people into the (bad). Prices began to pick up wage (that is, non-existence) towards the summer from their economy. Indeed, employment extremely low levels of 1975 figures for this year show a (when official estimates put in medium of success so far, with a 4.3 per cent. rise in employed because of deficit spending, a during the first six months of hike in the minimum wage on 1976, compared with a 9.1 per May 1 of about 8 per cent. as cent. drop in the same period well as higher food prices of 1975.

According to the Central Bank, cost-of-living index level in Manila was 9.3 per cent. up in June on last year. But for the country as a whole, 1976 will probably not show inflation running much above 5 per cent. By international comparison this may seem very small, but for the Philippines real GNP growth has been possible only because of strict control until now of prices and wages.

Mr. Virata insists that wages will hold steady—an essential component of the Government's programme for attracting foreign investors—but there are risks involved if those foreign investors are given too much freedom to raise prices too. The country has by and large escaped inflation to date, thereby putting it ahead of many competitors now that exports are picking up once again. A spiral, as the industrialised nations know, can get out of hand unless both elements—prices and wages—are kept in check.

Now, "socialised" pricing (strict controls) applies only to basic foodstuffs and some essential materials such as steel and cement, although the Government is contemplating an end to controls on everything but food. This will be yet another feather in its cap if it is trying only to attract investment, but it would be unwise to do so without first weighing the side-effects it may have on inflation.

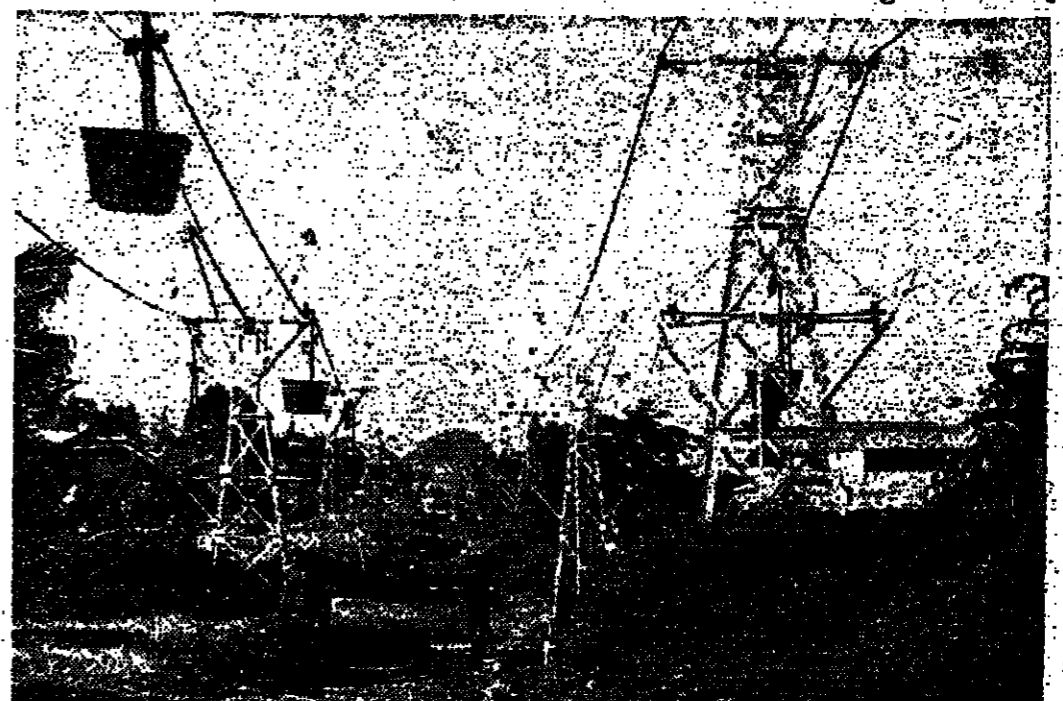
The overall results of the Philippine economy in 1976 will once again hinge on efforts to (a) sustain the present level of economic activity in the construction and agricultural sectors, and (b) narrow the external payments gap by stepping up exports.

World copper prices are improving after a long hiatus, and the effects will no doubt be felt during the last half of this year. Sugar, which netted only \$195m. in the six months to June compared with over \$500m. in the first half of 1975, will also improve, the country's balance of trade, and possibly narrow the gap to \$800m., or about half of last year's trade deficit.

Even so, there is little chance that the overall balance of payments will do any better in the borrowing spurge, so while talk of a crisis on external account would be downright wrong, so would any feeling that the Philippines have, by dint of borrowing hugely, come clear of their chronic deficits in foreign exchange.

For a developing country, though, the Philippines has done extremely well, as its GNP growth shows actually developing and not just running in place. Perhaps the best indicator of this performance, if an international assessment is valid, would be the new-found strength of the Philippine peso against the dollar, after repeated devaluations and depreciations. In the first half year, the peso was worth on average 7.45 to the dollar, 6 per cent. down on what was in early 1975. But during the course of this year it has actually improved from 7.49 in January to 7.43 in June, and will improve further if best hopes for a narrowed trade gap prove correct.

Douglas Ramsey



The Philippines has been experiencing a boom in construction. These kibblees are delivering cement.

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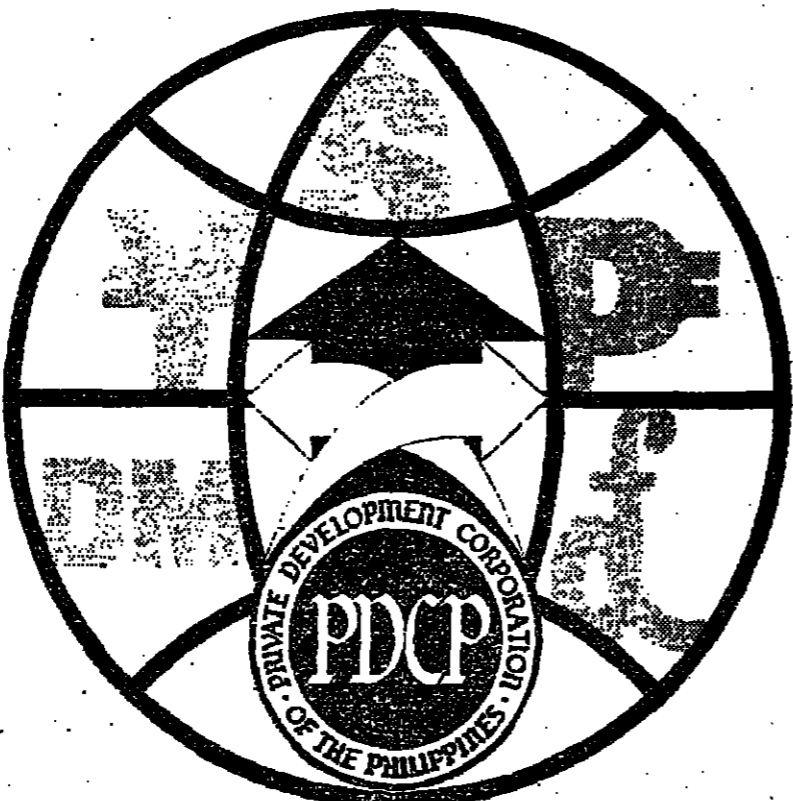
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THE PHILIPPINES III

The country's foreign policy is undergoing a switch of emphasis. President Marcos is changing from steadfast American ally to the Asian ideologue of neutrality and next year the Philippines may join the official ranks of the non-aligned nations.

The politics of neutrality

PHILIPPINES will probably in 1977, to entrance into the official of non-aligned nations. President Ferdinand Marcos, the switch from steady American ally to Asian ideologue of neutrality is a long metamorphosis. It tells about the Philippine's domestic preoccupations and does about what his Minister, Carlos P. Garcia, has called the "changes in Asia".

There were domestic and not international imperatives he switch. The growing resentment over the U.S. troops, by virtue of their location on Philippine soil, may somehow, someday, the country into a future conflict. So he seized the issue early after martial law, at first, he wanted all American troops out of the country, but then, accepting an American offer but terming "non-negotiable" the Philippines' need for complete sovereignty over U.S. bases and the of extra territorial rights American military personnel.

bellion

the Moro rebellion in the Philippines, centred on Mindanao, was a serious imperative. President Marcos realised from the beginning that without arms or money, the MNLF's separatist movement would have to quit. Even all-out military offensives (often tried) he Philippine army could not disarm the rebels. So he decided to tackle the problem by cutting off supplies. The money was coming from Libya, other Arab states support their Moslem (Moro) rebels. President Marcos had to upgrade relations with these countries, and he extended an official invitation for the Moro's chief, Colonel Muammar Khaddafi, to visit the Philippines and see for himself how the Moslem population is treated. Much earlier President Marcos sought to cut off the flow of supplies through the making his peace with the Moro bilaterally as well as the five-member Association of South East Asian Nations (ASEAN). In return, the Moro has at last got Manila's support for the proposals of a "cease fire" zone in south-east

third home element in the full revision of Philippine foreign policy was the increased activity of the New People's Army (NPA), the militant arm of the banned Communist Party. It knew from the start of martial law that one-man rule did not help but push grow numbers of people into the ranks of the Maoist NPA, or at least the ranks of Communist sympathisers. Chastened by the American defeat in Vietnam, Mr. Marcos decided to cut the ideological support from under the NPA's feet. He went to Peking, saw Chairman Mao, and opened relations with the Chinese. He now considered relations with either the U.S. or Japan have been to pursue with China. In 1973, President Marcos also pledged non-intervention in Philippine affairs, a further step to the NPA challenge.

What results? First Mr. Marcos gained much popular support for his stand on getting the bases back, and can still claim the threat of a nationalist backlash and eviction of all troops in the continuing negotiations over the bases. And, the Moro insurgency all but dried up after negotiations between its leaders and Mr. Marcos, no doubt made possible by the increasing difficulties of getting arms through the pipeline drying up as well. And third, the capture of two NPA leaders in August practically put a stop, for a while, to NPA activities, which would not have nearly so decisive without support from Peking for President's policies (which, incidentally, include large-scale reform—something the Communist Party has been aiming for since the war). South East Asian countries, not just members of ASEAN but also Vietnam and Cambodia as well, Marcos believes, that the Malaysian "peace zone" proposal, which could eventually mean the exclusion of all foreign troops from the region, could also be extended to cover interference in internal affairs (for instance, subversion on the Malaysian borders or the Moro separatists in the Philippines). Vietnam, in particular, will

have to be drawn into the "peace" arrangement, and Mr. Marcos knows that a continued U.S. presence in the Philippines (a launching pad for the U.S. during the Vietnam war) would certainly prevent both Vietnam and Cambodia from joining the scheme.

There is a fourth, albeit less immediate, explanation for the new attitude about U.S. troop presence in the Philippines. There is a new school of thought, led perhaps by Foreign Minister Carlos Romulo, that sees U.S. troops on Philippine soil as a threat in the event of another Asian war involving the U.S. The Philippines would, like it or not, be dragged into the conflict. It is a faint possibility, but for the moment President Marcos has stopped calling for the complete withdrawal of troops which this theory would imply.

The coincidence of the U.S. defeat in Vietnam and the declaration of martial law in the Philippines provided President Marcos with both the impulse and the means for an entirely new foreign policy. The main vestiges of U.S. colonial presence are the naval base at Subic Bay and Clark Field Airbase, which are effectively U.S. territory under an agreement which lapses in 1991. Early in 1975 Marcos started the Philippines, not to mention the U.S., by suggesting that American military presence itself, and not just the bases, might not be advisable. This was apparently a negotiating gambit in advance of formally calling for base negotiations, and Mr. Marcos later (in July, 1975) spelled out what it was that Manila really wants.

Briefly, the "non-negotiable" demands of the Philippine Government include the immediate revision of Subic Bay and Clark Field to Philippine sovereignty. In tandem, American military personnel would no longer enjoy extraterritorial rights, for example, for criminal offences. Further, Manila is insisting that the U.S. agree to a Spain-type bases agreement whereby, in return for "base rights," the Americans will pay "rent" in the form of economic or military aid (beyond what is presently given). The Defence Secretary, Mr. Juan Ponce Enrile, was in Washington at the end of September for a further round of talks on these demands, but so far no agreement had been reached. The U.S., understandably, is not happy about relinquishing sovereignty over the bases in a presidential election year and already plagued (at least during the primary elections) by a similar demand regarding the Panama Canal. There have been veiled warnings, by Mosses, Marcos, Romulo, and Enrile, that the Philippines would be prepared unilaterally to revoke the bases agreement (and even the mutual defence treaty) if the U.S. draws out the negotiations too long or refuses to accept the sovereignty claim. There is also talk in the U.S. Congress of "blackmail" by the Philippines, that is, letting American troops stay in return for military hardware; this view assumes that Manila still needs U.S. troops more than the U.S. needs a military presence in the Philippines.

A hostile U.S. Congress, in fact, is one of the crucial arguments behind Mr. Marcos' demands for a much diminished U.S. presence in the Philippines. The mutual defence treaty prescribes that U.S. help in the event of a war involving the Philippines is contingent on the American legislature's approval. In the post-Vietnam era, such a contingency is not as credible as it once might have seemed, not to leaders in Manila anyway. Furthermore, the President needs, at a very minimum, to regain sovereignty over all the bases before he will be allowed to join the non-aligned nations (Philippines was admitted as an observer at the 1976 summit in Colombo). There is still a chance that, as long as one American soldier is on Philippine territory, the Philippines will be turned down, but President Marcos and his Foreign Minister think U.S. "base rights," if paid for, will not be reason enough for exclusion from the non-aligned group.

A third reason for the importance of a new arrangement with the United States is the Philippine desire to bolster relations with other South East Asian countries, not just members of ASEAN but also Vietnam and Cambodia as well. Marcos believes that the Malaysian "peace zone" proposal, which could eventually mean the exclusion of all foreign troops from the region, could also be extended to cover interference in internal affairs (for instance, subversion on the Malaysian borders or the Moro separatists in the Philippines). Vietnam, in particular, will

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The theory about U.S. troops being a greater risk for and semi-finished goods to

China. The new relationship, naturally, was viewed with some consternation in Moscow, but Mr. Marcos decided to pursue a relentless policy of recognising all Communist countries and travelling to Moscow in April, 1976 to seal Manila's formal diplomatic recognition of the Soviet Union (although the Philippines had previously been trading with Russia).

The President sees China primarily as a guarantor for peace in the South-East Asia. In his talks with Chairman Mao, he came away with the impression that China would not interfere with the current negotiations for a new treaty on trade and friendship, dropped (and guaranteed yearly purchases of Philippine sugar with it). Hence, the Philippines began to diversify export outlets and import sources, and in 1975 Japan became both its biggest supplier and biggest buyer.

There is a third set of imperatives, the economic ones, for the transformation of Philippine foreign policy. "Diplomacy for development" is now a catchphrase at the Department of Foreign Affairs in Manila. It is diplomacy for more trade, to be exact, and has provided a further rationale for the pragmatic relations the Philippines is developing with all foreign countries. Again, the incentives have to do with the three major centres of diplomatic concern, as well as Japan, with which the Philippines has not perceptibly required new directions in the diplomatic arena (apart from the current negotiations for a new treaty on trade and friendship, dropped (and guaranteed yearly purchases of Philippine sugar with it). Hence, the Philippines began to diversify export outlets and import sources, and in 1975 Japan became both its biggest supplier and biggest buyer.

The opening to the Socialist bloc was yet another of these attempts to diversify the nation's trade, and in two years exchanges with China, Russia and Eastern Europe have jumped from almost nothing to 5 per cent. of the Philippines' trade in the first half of 1976.

There is, finally, the personal element in the Philippines' foreign policy. By dint of hosting the Group of 77 developing countries' conference in early 1976, President Marcos became their spokesman at the UNCTAD Nairobi meeting in June, a cherished platform to extol the virtues of Philippine support for "peace, freedom and neutrality" in Asia. It also provided a degree of international exposure to a man who feels he has brought the Philippines, albeit only by suspending democratic rights, from a vassal state of the U.S. into a pre-eminent position as spokesman for neutral, developing countries.

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THE PHILIPPINES IV

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THE PHILIPPINES V

Since the incentives legislation of 1973 there has been a steady inflow of foreign companies into Manila. The Government's aim is to provide an investment atmosphere in which clearly defined principles are combined with a stable society and economy.

Foreign investment

PRESIDENT MARCOS and his advisers have undeniably welcomed foreign investment as a prime motive for national development. That is more than can be said for most developing countries, and the Philippines' open-door policy is a source of many eyes, suspicious to many eyes, suspicious to many eyes. It shouldn't be. After all, the Philippines (unlike most of its neighbours) has pursued a steady policy towards foreign investors all along. Between 1969 and 1975, the country's foreign investment (excluding the 1970-71 sign exchange crisis) and (declaration of martial law) would not touch the Philippines with a barge. But starting with the June 1973, setting incentives for companies to up regional offices in Manila, confirmation of unrestricted attainment of profits and repatriation of foreign capital, the country has steadily advanced its investment policies on critical foundations. First, sign investors will be treated on an equal footing with locals. Second, they will also have to subscribe to the local regulations as regards de-localisation of industry and development of priority sectors.

balanced

It is a balanced view of foreign investment which is a welcome on the one hand and careful supervision of investors' activities on the other. As a result, the foreign investor can anticipate exactly at he is getting himself into about the nagging notion (so common in other developing countries) that the terms of his investment will be changed the moment he has actually done a investment. The Finance Secretary, Mr. Cesar Virata, anticipates that this even-anded policy, together with the attractions of stable economic growth, will bring in about twice as much foreign investment in 1976 as it did last year when it fell because of the international recession) and will climb back up in 1977 to levels of 1973 and 1974 (over \$200m.). Says Mr. Virata: "We used to seem to have a rush rules compared with some South East Asian countries. They have changed suddenly, and now we, with our active and careful policies, are coming because they want the stability of our terms. Or them, there will be none of the backlashes they have had to elsewhere."

Stock market

CONTINUED FROM PREVIOUS PAGE

Still no unrestricted freedom of movement between the two types of markets, so the dollar board has been neglected although Central Bank officials are examining ways of building up the dollar board in connection with tandem proposals to be announced in October on offshore banking).

The SEC recently rejected an application to start up an options exchange, the first in the Philippines, arguing that it would dilute interest in the other markets before they had had enough time to consolidate and reach a more steady level of trading volume, a "premature and ill-advised" thing to do.

Fears

The SEC's fears about the capital market not yet having reached adulthood are well founded. Although there are two major exchanges (and a small new one, the Metropolitan Stock Exchange), trading is focused on a handful of shares. On a good day, not more than 80 stocks are traded on the markets where 200-odd companies have listed their shares. Yet three times that many shares are listed under the national Securities Act (SEC) and even that is a drop in the bucket of an estimated 50,000 stock corporations in the Philippines.

In line with the Government's

all combined to attract these foreign operations. To round out the package, the Philippines will soon also permit offshore banking, thereby facilitating money transactions for regional headquarters involved in financing a project in one Asian country with funds from outside the area.

But like the business district of Makati itself, the growing interest of companies to put in regional headquarters is only the most visible sign of foreign interest. The Board of Investments, headed by Industry Secretary Vicente Paterno, has laid down very clear guidelines on foreign investment, which attempt to focus its impact into sectors where it is most needed. The investor can, of course, invest in other sectors, but the BOI has developed a solid system of incentives to get what it wants, where it wants and when it wants it.

Incentives

At first the restriction on non-priority investment seem harsh, but in fact they deter very few. The sectors of prime interest to foreign investors are those where exchange earnings are high, such as commodities, raw material processing and mining ventures. Eventually, though, additional on-site incentives for industrial projects will exist with the completion of a copper smelter and iron ore sintering plant now under construction, and an aluminium smelter under negotiation — all of them with foreign stakes.

If the proof of the pudding is in the eating, then the Philippines' steady and eclectic multinational corporate figures for the first half of 1976 have just been released by the BOI and show top investments for the six months at \$133m., or 14 per cent. higher than for all of 1975, near half of it (\$57m.) coming from foreign investors. That compares favourably with the \$60m. parafest by foreigners during the whole of 1975, and would confirm a doubling of

investment for the whole of 1976.

The U.S., which holds about three-quarters of all outstanding foreign investment in the Philippine economy is still the single biggest new investor. About 41 per cent of the BOI-approved investment was from American sources, compared with an average 29 per cent between 1971 and 1974. (Most American investments, of course, pre-date these years.) By contrast, Japan, which had averaged 26 per cent of new investments in the five years to 1975, dropped to only 18.5 per cent of the total in the first half of 1976, perhaps indicative of its continued fears about investing abroad before domestic recovery is solidly under way. In its place as number-two investor in the Philippines economy after the U.S., came Switzerland

land, with 18.2 per cent of the total. Britain, meanwhile, dropped from fourth place in the five years to 1975 (with 9 per cent of the total) to fifth place in the first half to June (with a meagre 2.4 per cent).

Showcase

The BOI itself has offered no special incentives to get a diversification of its sources of investment, although the Philippines' hosting of the World Bank and IMF meetings in October are clearly meant to act as a showcase for countries until now ill-acquainted with the Philippine economy. There are, in particular, efforts afoot to lure West German investors (a high-powered delegation visited the Philippines in September) and Australia (which traded places with Britain and

was the fourth biggest investor in the country during the first half of 1976).

But the BOI's selective encouragement of investment in specific sectors has already borne fruit, to judge from sector analysis of investment during the first half of the year. Whereas during the five years to 1975 foreign money went heavily (\$5.4 per cent.) into the mining and mineral processing sector, agro-based industries now constitute the most "invested" sector by foreigners. During the six months to June, this sector took 30.3 per cent of total foreign investment, compared with 19.3 per cent in 1975. Minerals and metals, 7.3 per cent in chemicals, and 26.3 per cent in all other areas, including, of course, banks and service industries. During the previous five years, however, agro-based industries took only 12.8 per cent of total foreign investment, 14.7 per cent in chemical-based industries, and 27.6 per cent for other areas.

Philippine Government officials are as uncertain as private economists about what to expect from foreign investors in the next couple of years. They are betting that a stable, growing economy with an even-handed policy for attracting a major upsurge in oil exploration, foreign investment will win the day. They are optimistic on the basis of the first half's performance, and so are the foreign investors. Indeed, if the oil dis-



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Isipagatulo ang kaunlaran. Mag-impok sa bangko. Member, PDIC.



THE PHILIPPINES - VI

The Philippines suffered a major trade setback last year with exports declining by nearly 16 per cent. while imports rose by 10 per cent. Although the situation has brightened it is too early to predict a substantial improvement in the trade balance.

Trade problems

THE PHILIPPINES' exports of most of it accounted for in the so-called "non-traditional" (in items total worth below \$5m.) jumped by 55 per cent. in the first half of 1976 over the same period in 1975. The Trade Secretary had predicted an increase of only 25 per cent. last January, and is understandably pleased with the results of the Government's export diversification programme. "The Philippines suffered tremendously from world-wide recession because traditional exports constituted 80 per cent. of total exports," explains Mr. Troadio Quizon, the Cabinet member in charge of trade who is concurrently head of the Prices Stabilisation Council.

Assessment

The world outlook has brightened in 1976, but it is still dangerous to predict a substantial improvement in Philippine exports and trade balance. While exports began to pick up in May and June, first half-year figures show a trade deficit of \$543m. compared with \$453m. in the corresponding period of 1975. Finance Secretary Cesar Virata has suggested that the year-end deficit will be between \$800m. and \$850m. instead of the \$1,165m. of last year, but that assessment extrapolates from the May-June level of exports and presumes strong growth in world commodity prices.

Trade officials talk of a "marked improvement" in the terms of trade of the Philippines' major exports, but products such as sugar and copper are still subject to speculative buying on world markets. (This in part explains the Philippines' avid support for an UNCTAD fund to finance buffer stocks—and thereby guarantee stable prices for the major commodities.)

According to Trade Secretary Mr. Quizon, the Philippines is aiming for growth rates of 16, 17 and 18 per cent. respectively for this year, 1977 and 1978. "We expect a major improvement in the Philippines' balance of trade in the near future," he adds, admitting that a negative balance in favour of a developing country.

product and market mix with export performance targets set on a priority basis... and then translated into production programmes.

Mr. Quizon sees this "mix" as the gradual phasing out of raw material exports and the concurrent growth in processed or finished goods exports. To do so, he says, raw material exports will have to grow at a slower rate (11 per cent. a year) between now and 1980 and 6 per cent. annually for the next five years. All this, of course, is provided the shift to finished exports proceeds on schedule, for which Mr. Quizon suggests several fundamental policies for the Philippines.

These are: (1) Expansion of manufacturing while seeking better terms for raw material exports; (2) improved trade relations with non-traditional partners as well as the U.S. after the recent severe drop in trade; (3) major upgrading of loan and guarantee assistance to exporters through the Philippine Export Credit Insurance and Guarantee Corporation; (4) maximising private sector contributions to the export drive by encouraging its role in international marketing.

Action on these lines, Mr. Quizon believes, will help swing the country's trade into the black over a period of years. In hard terms the goal of diversification was given a boost by the recent normalisation of links with both Russia and China.

In the short run our export trade with socialist countries will boost exports," says the Trade Secretary, "but in the long run trade will balance out because those countries would always want to maintain a balanced trade themselves, unless for one reason or another they deem it appropriate to have a negative balance in favour of a developing country."

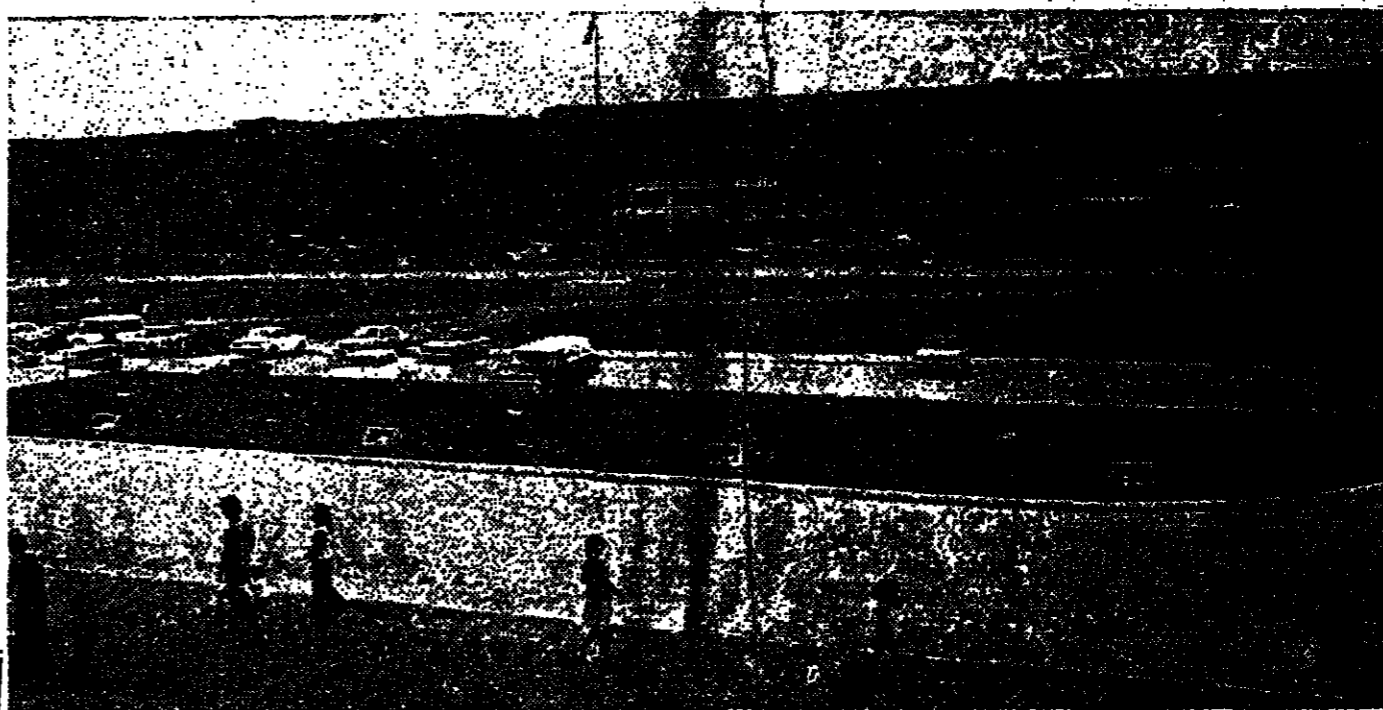
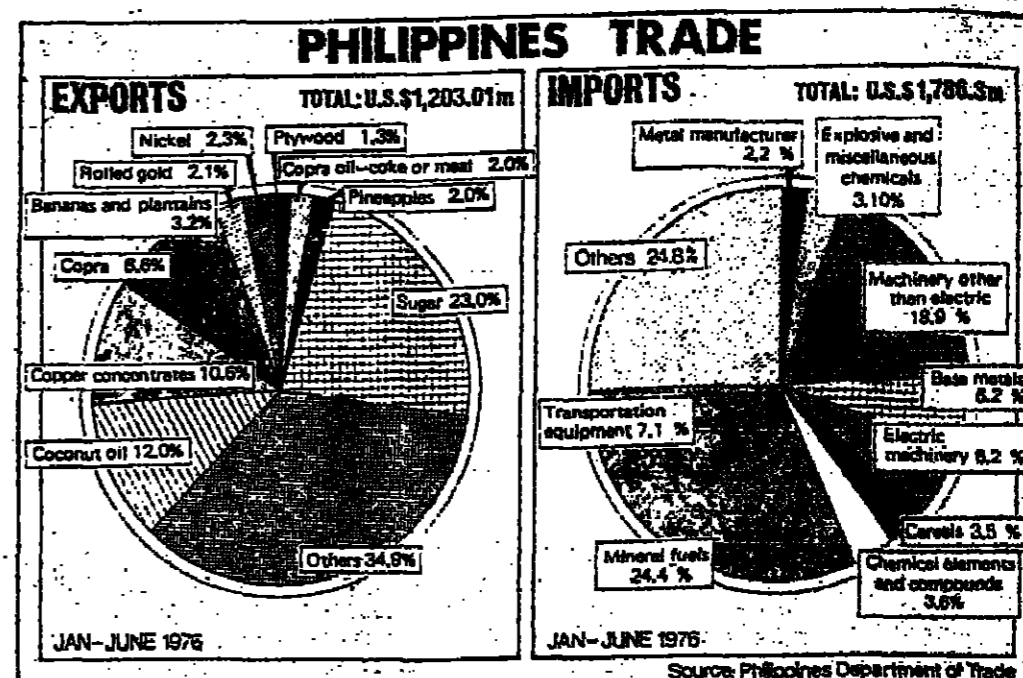
In 1975 trade with the USSR ironing out the gap will be a major preoccupation of Philippine trade officials. In fact, if the final 1976 figures reflect the pattern of trade in the first half of the year the country will have a surplus in its trade with the U.S., the EEC and the Socialist bloc, but huge deficits with Japan (\$242m. in the first half), and the Middle East (\$280m.).

There is probably not much to be done about the Middle East as long as the Philippines has to import oil (although the Chinese supplies will lessen the reliance on Middle East crude). So, apart from boosting non-traditional exports to all destinations, and obtaining more for traditional goods, the Philippines will have to tackle the deficit with Japan. Unfortunately, not even the rich countries seem to have much success in preventing Japan from developing large surpluses with them, so it is doubtful if

Manila can do any better. The U.S. share of Philippine exports will fall in the long run, and the country is not unhappy about the trend. The recession took its toll in the form of a trade deficit (subsequently reversed in the first half of 1976). Briefly, the 1975 deficit happened because (a) the U.S. terminated the Sugar Act in 1974 forcing sugar exporters in the Philippines to find new markets; (b) there were decreases in the value of major Philippine exports to the U.S. of up to 35 per cent.; and (c) the Philippines imported large volumes of American capital goods for use in the budding industrial sector and Government infrastructure programme. In the short run, given the

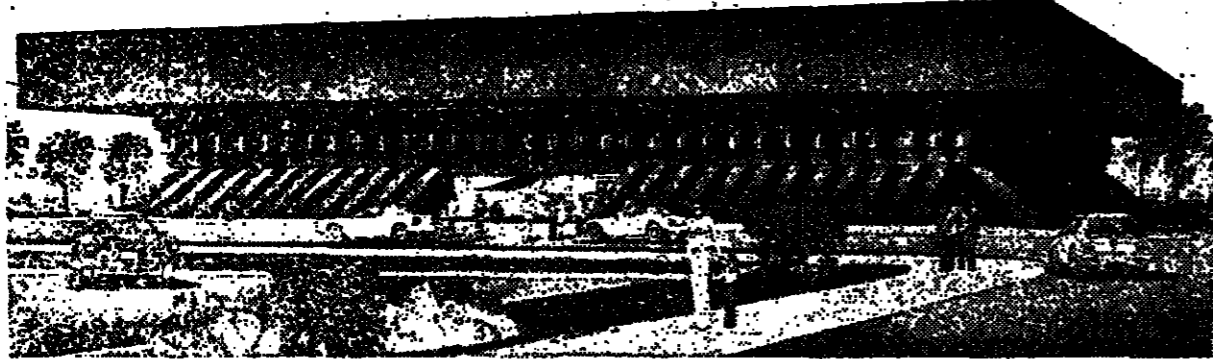
Imbalance

Japan, although taking far fewer Philippine exports this year than last, is still the country's principal supplier, to the tune of about 28.4 per cent. of all imports. The U.S. is second with 22 per cent., ahead of the Middle East (16.1 per cent.). This imbalance in trade with Japan has worsened with the higher level of machinery imports by the Philippines, and



The new Philippines International Convention Centre in Manila which will be the main venue for next week's IMF-IBRD meeting.

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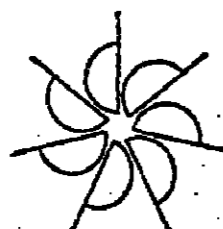
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The President and the Americans

This interview with President Marcos was conducted by Douglas Ramsey.

Ramsey: The shift in Philippine foreign policy is perhaps most noticeable in the country's re-assessment of the U.S. military presence. Some high officials in Washington apparently feel you are bluffing, and that the Philippines needs American military support more than the U.S. needs its Philippine bases. Is that true?

Marcos: If that is so, why don't they just get out. I first suggested this in a meeting of the Mutual Defence Board back in 1967, and did so publicly earlier this year. I suggested then it was maybe time to dismantle the bases. But the Americans insisted they still needed them. Sovereignty is no longer negotiable in any part of the world. We have learned one serious lesson from the Vietnam war—that one can never overestimate the potential of nationalism.

Does the Philippines need U.S. military support for internal reasons?

Absolutely not. Here in South-East Asia the principal threat is subversion and these bases could become not just a source of irritation but of nationalistic anger. Unless we eliminate the causes for criticism on grounds of nationalism, political leadership will be forced into a defensive position vis-a-vis nationalism. Who's point would be the more valid? The nationalists of course.

To be more specific, does the Philippines want arms in return for letting American troops stay on Philippine territory, whatever the outcome of the negotiations on the bases?

We believe the Americans should pay for base rights here as they do in Spain, but this does not have to do with arms. The military assistance now coming from the U.S. is in rifles, mortars, some howitzers and a bit of armour. In the next few years there will be no external threat; the threat will be principally internal.

An internal conflict does not require heavy arms buying of the type favoured by, say, Iran.

We will depend on our soldiers. Our armed forces are a small standing army and a large reserve. We must have a highly mobile group of small units at a high state of training with conventional and simple weapons. We don't need sophisticated armaments, and there are no talks with the U.S. on major weapons systems. I don't believe in spending — I was going to say wasting — our resources on arms.

Are the U.S. bases the only issue, or do you want all American troops out as well?

I cannot go into details of our negotiations with the Americans, but let me clarify. We don't agree to the stationing of ground troops here in the Philippines. We would like to see a situation where we would be capable of handling any fighting on land. Right now what is involved is the higher problem of maintaining the balance here in the Western Pacific and of course the world. To a degree the Philippines has an obligation to participate in maintaining that balance. The question is: To what extent must it participate? Can it participate without risking its survival?

Can it?

Undoubtedly the best choice would be to keep away from the big-power conflict. Since 1967 my position has been that we should have no military agreements. Whatever we say now, if an international problem develops into a conflict, the

American presence here would tolerate other systems, and it is his more than help the to its advantage to encourage security of the country. We small but emerging states in would become one of the first, Asia side by side. I was contacted of a pre-emptive strike, placed there would have to be here is of course the sober, some kind of *modus vivendi* ing second thought that an with small States. In my talks American departure might en- with the late Chairman Mao courage those quarrels to erupt, and other leaders they con- so I becomes a moral judg- firm this, although I am sure meras well as a question of the world, they would like to see their readjust. This is one of the own economic system copied.

For my part, after the war I negotiations. We wanted to look the view that Communism asse to the finest possible de- was not the answer. Socialism greatly what the risks were perhaps but not Communism, and whether those risks are China understood this, and I working.

I reveal that our propo- sals have been handed to the U.S. and we are waiting for their counterproposal. What is now being negotiated is how the bases will be phased out, and when raised out, how they will be used. But for our Third World friends we must clarify the situation.

Will the Philippines, then, ask to join the Non-Aligned Conference—and if so when? Definitely, within the next year.

That is, presumably, signal the Philippines' full "re-entry" into South-East Asia—or will it?


It is *saft accompli* in that it is a pity which has already been implemented substantially. There at some steps to be taken, of the U.S. presence for instan It has been a long time in China. It used to be easier to k with Washington than Singapore or Jakarta, and I don't just mean the mechanical facility for comprehension as well. The was simply nothing to talk about, and this created a kind of alienation. Our problem were Asian, and we had to *saft* Asian solutions.

Does the explain your rapprochement with China? Yes. Weid no means or channel of communication to confirm our respective Asian policies. I h serious doubts about adviser who said that China was going to pounce. The country is strong it can

D.R.

5-10-15

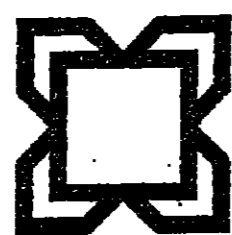
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THE PHILIPPINES VIII

Leading personalities

Ferdinand E. Marcos

"WE ALL KNEW Ferdinand Marcos as a Senator. He's brilliant and ruthless. Sure, today it's the smiling face of martial law he shows—but it could turn to a frown tomorrow." So says one former senator, now an embittered opponent of the President. But the combined awe of Marcos' intelligence and fear of his ambition are not limited to the President's opponents. It is an appraisal Ferdinand Marcos himself fosters, wittingly or not.

Marcos distinguished himself as a law student and then as a guerrilla fighter during the war, went on to politics first as a Congressman, then Senator, and entered Malacanang Palace as President in December 1965. In his decade of rule, the Philippines has known its ups and downs. Midway through his second elected term, the country was being torn apart by insurgency, corrupt government and the growing disparity between rich and poor. The violence intensified as his second (and according to the constitution last) consecutive term was drawing to a close. Coincidence or not, Marcos declared martial law on September 21, 1972, and since then has governed by decree.

One is tempted to label Marcos a "benevolent dictator." In the space of four years he has reasserted Philippine independence in foreign policy, sown the seeds of large-scale land reform, and kept the economy growing, even through the worst of recession. For the masses, then, his one-man rule has largely been benevolent, but at the cost of human rights for the politicians, journalists, insurgents or clergy that opposed him.

The President is soft-spoken, unlike many dictators he has a sense of humour and he is not averse to sparring verbally with visiting journalists about the pros and cons of his administration. But he is above all a lawyer with a keen eye for detail and regard for the form as much as content of his rule. Hence, although he would probably be happier to see opposition Senator Benigno Aquino out of jail and take less flak from the international press Marcos sees



President Marcos and his wife

his imprisonment as the last legal foundation for martial law—since Aquino was first arrested for plotting to overthrow the Government by force of arms. Legal training also explains Marcos' desire to dismantle martial law and supplant it with "emergency" legislation. He speaks longingly of the powers vested in other countries' executives to declare a state of emergency, whereas the Philippine Constitution has no such provision aside from martial law—a term which he says unfairly implies "fascistic exercise of power."

As to the content of martial law, Marcos is no lover of democracy and has no trouble calling his dictatorship "Philippine-style" democracy. For above all else, Marcos clings to leadership. All his legalistic and political manoeuvring is to this end. At some point he anticipates a return to democratic government. He is convinced that his governing record will be clean enough to the average citizen, sustaining his power even after martial law is dismantled in substance as well as name. He has not wrongly chosen the parliamentary form of government to supplant one-man rule when it happens, on the assumption that his own party will emerge with a powerful majority, thus guaranteeing Marcos the post of Prime Minister ad infinitum, so to speak.

As long as Marcos has that power, though, he is capable of using a keen intelligence to promote economic reform in the Philippines and avoid the worst trespasses of dictatorship. That is clear from his record since 1972, and there is a lot of truth in his allegations that Congress was to blame for virtually no reforms at all in his elected terms as President. Even some opposition Congressmen would agree to that. But Marcos may not be able to do the right thing for the Philippines if his leadership is seriously challenged. It is on that day that one former Senator fears the smile will turn to a frown. It happened once, so it could happen again—this time with negative implications for the country as a whole.

Imelda Romualdez Marcos

NO ONE DENIES that Mrs. Marcos, 46, is powerful. Contradictions and speculation about the former Miss Manila begin with attempts to discover just how powerful she is and where she is going.

Since last November she has been Governor of Metropolitan Manila, an agglomeration of five cities and over a dozen smaller municipalities with a combined population of nearly 8m., a sixth of the country's total population. She has worked miracles in less

than a year, cleaning up the city, improving the archaic transport system, redeveloping parts of the Tondo slum-towns and overseeing the construction of over a dozen new luxury hotels, a convention centre and countless other "cultural" monuments on a tract of filled-in land in Manila Bay. To the visitor, Manila now seems a clean, safe, happy city—a far cry from the violent, filthy Manila that existed before martial law.

Mrs. Marcos must take whatever credit or guilt is due for the ruthless way in which the renovation of Manila has been carried out. She gets things done, and there is no Rasputin pulling the strings, not even the President. On pet projects like the Heart Center of Asia, the Cultural Center and the Philippine International Convention Center, Mrs. Marcos resorts to thinly-veiled blackmail to secure funds. The business community is not happy about it, but the blackmail is very effective: the First Lady has seen to it that the Bureau of Internal Revenue double or triple-check the returns of those corporations or wealthy individuals who resist her charms. At the other end of the scale, she has incurred the wrath of many poor residents of the Tondo who have been forcibly (even brutally) settled by the army outside Manila in the campaign to "clean up" the city.

But Mrs. Marcos probably de-

serves more credit than guilt on the basis of her governorship so far, so the question arises: is Ferdinand Marcos grooming his wife to succeed him? The answer is probably not. On the surface he has promoted her image overseas and at home to add a bit of lustre to martial law. But there is good reason to think that that is where Mrs. Marcos' role will end.

First, if Mrs. Marcos has done more good than harm, her family hasn't. The Romualdezes have taken advantage of martial law to build up their fortune. Although the business community is somewhat irritated with the First Lady's pressure for public contributions (much of which they believe finds its way into her personal fortune), they are incensed with the Romualdez family's openly flaunting and cashing in on its ability to influence decisions at Malacanang. President Marcos himself does not want this to continue, and there is an SEC investigation going on in which Imelda's brother, Cocoy Romualdez, is implicated. A move to clip Cocoy's wings would probably be interpreted as a sign that the First Lady had become more powerful than intended, and such a move cannot be ruled out if the President wants business on his side.

Second, Ferdinand Marcos has no declared intention of ceding power to his wife in his lifetime. All the present political machinations are, in fact, designed so that at no point will he have to give up the most powerful office in the land (be it President or Prime Minister). Nor is there any "force majeure" for him to want her accession in the event of his death and he has made no secret of a supposedly secret decree which charges a committee of close Government advisers to take over in case of his death before a formal succession procedure can be adopted by constitutional procedure. None of which detracts from the fact that Imelda Marcos is, to-day, the second most powerful person in the Philippines, and personality not likely to fade from public eye for some time to come.



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Cesar

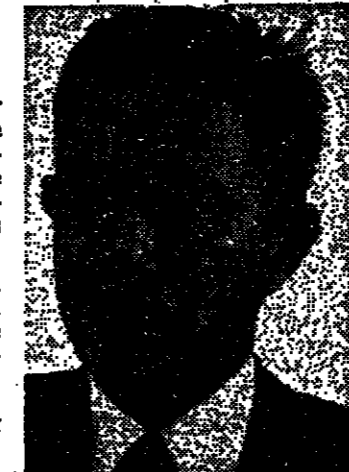
Virata

Despite his youth, Cesar Virata, 45, has held a wide range of jobs in and out of government, and most typifies the technocratic revolution President Marcos has imposed on his own cabinet.

A business administration graduate from an American university, Virata was a private business consultant before becoming Dean of the Business Faculty at the University of the Philippines. He left that post to become Director of the Philippine National Bank, from which he was picked (before martial law) to join the President's private economic staff, later to be named Under Secretary of Industry, Chairman of the Board of Investments; and then Secretary of Finance. More than any other adviser of Marcos, Virata has played the key role in controlling how, when and where money is spent—or collected. Virata has spearheaded tax reform based on progressive taxation and income distribution, and in his own words, "estate tax has been restructured, tax exemptions have been reduced, the value added tax on manufacturing rationalized, and local government taxation and borrowing powers strengthened."

The Finance Secretary is also one of the few high officials who stresses the strides made so far in generating domestic resources, and says that tax receipts in five years have gone from 11 per cent. of GNP to almost 15 per cent., while investment grew from 19 per cent. to 27 per cent. of GNP in the same period.

Virata is also the architect of the country's rapid reversal of



inflation in 1975, when the rate of price increases country-wide fell to about 7.5 per cent. from the nearly 40 per cent. level prevailing in 1974. This he attributed to counter-cyclical policies pursued by the government, and in particular to a tight rein on government spending. Is he worried by the recent rises in the Manila CPI during the summer? "Yes of course," he admits. "But it was to be expected. Until this year we had a surplus in government spending. We decided however that inflation was low enough to warrant deficit spending in 1976, and I don't think price increases will get out of hand."

For the moment, the Finance Minister has added oil to his many other duties in the government. "We definitely have found oil, and I am relatively sure it will prove to be in commercial quantities. Either way, we should know for sure in a few months." After spending \$800m. on oil imports last year, Virata can obviously find better ways to spend the country's money if the oil finds reduce the Philippines' dependence on foreign fuel.

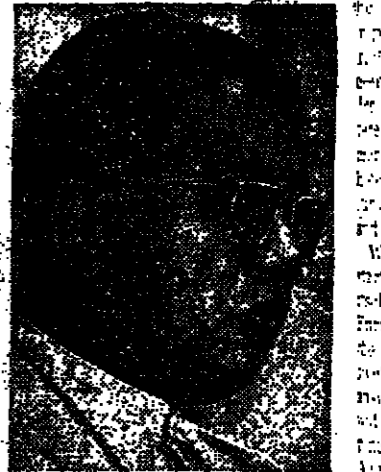
Jaime

Cardinal Sin

ASIDE FROM the standard episcopal qualities needed of a church leader, one trait that stands out in Manila's Roman Catholic Archbishop, Jaime Cardinal Sin, is his irrepressible sense of humour, usually at the expense of his own name. "Now the Church has an eighth cardinal sin," the jolly prelate remarked on his return from the Consistory in Rome last May that made him the Church's youngest cardinal at 48.

Beneath the humour, however, lies the harder stuff he reaffirmed during a sermon at the Manila Cathedral following his investiture. He said that "in obedience to the Holy Father and in accordance with my own deep convictions, I shall strive, to the limits of my capacity and strength, to uphold truth and freedom, peace and justice. I shall endeavour at all times and without counting the cost for the preservation of human rights."

Indeed, just a few months after being appointed Archbishop of Manila in 1974, Monsignor Sin issued a pastoral letter denouncing abuses under martial law and charging that the administration was throwing aside the principles of truth, freedom, peace and justice. He has specifically spoken out boldly against illegal searches and torture of political detainees, and has demanded the restoration to workers of the right to strike. But at the same time, he has on several occasions expressed support for the martial law government's reform programmes, saying the



Church and the State had the same goal of uplifting human welfare.

Lately, he has come to the defence of priests and other religious ministers under attack from government officials for criticising the martial law administration from the pulpit, saying it was the duty of every Christian to denounce injustice "whenever and wherever" it is committed.

Today, there is no question that the boyish-looking and chubby Archbishop of Manila, the world's biggest Archdiocese in terms of population, is recognised as the leader of the Roman Catholic Church in the Philippines, a leadership which he says he will exercise "boldly and vigorously" — but with moderation. It is precisely this moderation that enables him to criticise the government one moment then mix with top government leaders at important functions the next.

Sixto

Roxas

IN 1965 THE Philippines had no money market to speak of. That year, an economic adviser to then President Diosdado Macapagal quit his job and opened an investment banking house. Soon after, Bancor sold its design for a Manila money market to the Central Bank, gave the market a nudge, and began a rapid climb to the top of the country's investment banking league. Almost single-handedly, Sixto Roxas has spun gold from the company's initial assets of \$2m. Since 1965 other non-banking institutions have crashed the market, but Bancor is still the leader, and Mr. Roxas the undisputed maestro.

The rise of Mr. Roxas is the more stunning in a country where families have monopolised business and banking. His feat was to virtually create a lucrative market overlooked

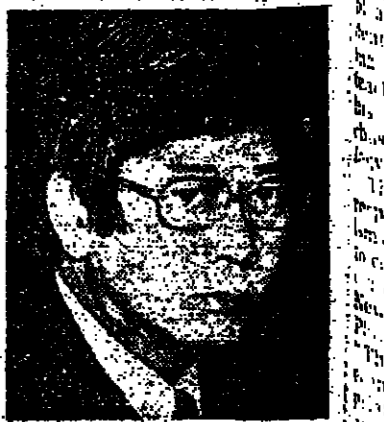
until then by the large banking families.

Roxas has also become a leading member of the Manila business community despite not having a family to back him up (like the Ayalas) and not being among the "new oligarchy" which has arisen from within the circle of friends and family of the first couple. Asked whether the spoils system has really built up powerful new business barons, Roxas is discreet. "Inevitably, in any power system whole new groups come up. This has happened since martial law. But in this case it is much more functional. These people may get money in return for favours, but they have to deliver. Is it all that bad? After all, the Zaibatsu groups in Japan were themselves the product of a spoils system, and look how they contributed to the economy."

Nevertheless, Roxas is one of

the few vocal critics of certain policies of the Government with regard to the banking sector. "In our sector the Government is going too far with its open-door policy on foreign investment," Roxas insists. "We are constantly criticised for not building up a long-term money market, but it is the Government's fault. In Japan, they protect their investment banks."

The banking sector has tried to exert its influence on offshore banking legislation soon to be enacted, but apparently to no avail, says Roxas. "What we do have are the corporate finance skills, so we should at least be given the chance to keep up with the offshore banks by doing both merchant and commercial banking." Is business better off under Marcos? "Overall we are doing well," Bancor's chairman admits, "but I'm afraid of a backlash if the door swings too wide open."



Profiles on these two pages written by Douglas Ramsey and J. M. M. Suarez

THE PHILIPPINES IX

Enrique Zobel

Enrique Zobel, 52, modestly sits. But it would be a long y down for the man most servers would call the second st powerful in the country. Imelda Marcos's only tious rival to succeed the ident. But Enrile is no politician, only ran in the Senate elec n in 1971 at the President's ing and lost. He is, after a businessman like most of ident Marcos's key advisers the Government. He was ce considered the leading tax thorty in the Philippines and ide a small fortune represent American business interests fore being drafted into Mar's first government in 1966. nce then he has held merous government jobs inding the posts of Under Secy of Finance, Secretary of sice and chairman of the nional Police Commission. Although Enrile's many chair- ships of corporations have i to speculation that he is ing his power to amass con- lerable wealth, he has few de- ctors in his efficient and low- y running of the establish- ment. Indeed, perhaps more an anyone Enrile has pre- vented many of the excesses the military which martial

law could have prompted. "It is an unwritten concept in our constitution that the military should always be subordinated to civilian authority," Enrile said recently in his office on the outskirts of Manila.

In his dress and other ways his style contrasts with that of the military. Does this contrast cause dissension? "Our relations have always been cordial," Enrile insists, explaining that he does not try to act like a Chief of Staff but confines his role to policy orientation. He adds: "It is our great fortune that the military organisation in this country is not politically oriented. We have no Left or Right."

Political detainees. Communist insurgents and the Moslem separatists in the south would all deny that excesses by the military have been avoided, but it is also true that a vast majority of the armed forces are not involved in them. This is because of a strategy worked out by Enrile and Marcos to boost the numbers of military reserves, both men and women, and then putting them to work on public works projects, thus absorbing many workers otherwise on the dole. In the south, especially, the armed forces act both as deterrent (by their presence) and as a constructive element (building roads, etc.). Enrile is also, second only to Marcos, the chief architect of the Philippines' standing off from the U.S. As Defence Secretary, he is negotiating the



Fidel Ramos

IN THE history of the armed forces of the Philippines, the Constabulary has always played the dominant role in the maintenance of internal security and peace and order. It has been greatly responsible for the government's recent successes against the communist-led insurgency in the north, the Moslem secessionist revolt in the south as well as in reducing criminality.

Thus, when President Ferdinand Marcos announced early this year that he would reorganise the armed forces and relieve a number of top officers past the retirement age, it had been a foregone conclusion that the Constabulary chief, Major General Fidel V. Ramos, would be the new Chief of Staff.

When the reshuffle finally came Mr. Marcos, in a surprise move, decided to retain General Romeo Espino, one of his over-staying generals, as armed forces chief. Although Mr. Marcos did not explain this decision, military sources said the President was having a hard time choosing a new chief of staff from his two favourite generals—Major-General Ramos and Major-General Fabian Verchier of the Presidential Security Battalion and of the National Intelligence and Security Authority—for fear of causing rivalry between them. So, at 48, Ramos remains chief of the Constabulary and the top contender for the Armed Forces Chief's boots. As chief of the Constabulary, Ramos has twice been sent on



combat assignments abroad. First in Korea where he served as a reconnaissance platoon leader in the Philippine Expeditionary Force in 1952 and then again in Vietnam in the mid-1960s where he served first as Operations Chief and then as Chief of Staff of the Philippine Civic Action Group. He also fought in the anti-dissident campaign in the Philippines in the early 1950s.

Following his return from Korea, he served for a time in personnel research and from then on, while serving in the army, moved right up the promotion ladder. Before being named Chief of the Constabulary in 1972, the youngest general ever to hold such a position, Ramos was Deputy Chief of Staff for Home Defence. It was while he held this position that he revitalised the home defence programme involving the "Citizen armed forces" concept which also meant more military involvement in civic action.

Ramos has also served in various Philippine delegations to international conferences, with a diplomatic talent apparently learned from his father, former Foreign Secretary Narciso Ramos.

Gregorio Licoar

It is almost ironic that Gregorio Licoar, at 67 the oldest member of President Marcos's inner circle, was given the task of creating an "external debt management service" inside the Monetary Board of the Central Bank of

the Philippines. Before martial law, in fact, Licoar had been Chairman of the Development Bank of the Philippines, an institution which took its task of finding development funds very seriously indeed.

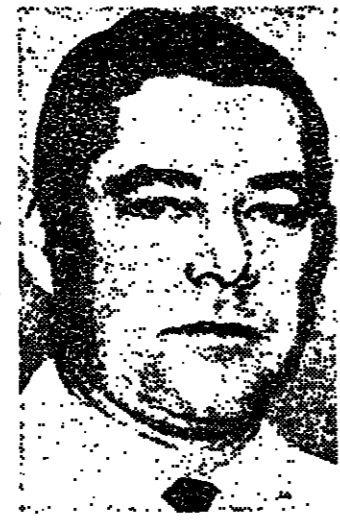
With much the same gusto as when he was chairman of DBP, Licoar spent the first three years of martial law preventing the Philippines from over-borrowing on foreign money markets. His stern management of the Central Bank and tight supervision of the Philippine banking establishment are once praised and regretted by the private sector, which recognises the need for control but is put out by so much of it. Licoar's moves last year to liberalise rules on borrowing abroad, however, did mend many of his fences with the banking sector.

During the IMF and World Bank meetings while Licoar plays host to fellow central bankers, the entirely Philippines-educated official has much to show for his strict management of monetary policy. Central Bank reserves are now over \$1.5bn. (although net liabilities of foreign exchange among private banks cut the nation's international reserves to less than \$1.2bn.) on a par with Philippine levels at the height of the world commodity boom. But since the end of 1974 the country's foreign debt has also more than doubled to \$4.5bn., and Licoar has to do some explaining as to why he flung open the doors for borrowing overseas when he did in 1965. His interlocutors probably agree that, for now anyway, the Philippines' debt is manageable. But the Central Bank Governor does not intend to stop there. His offshore banking proposals will probably interest many of the private bankers gathering in Manila, as well as his plans for stimulating a long-term money market in Manila to restructure the time-compress of Philippine debts towards longer maturities. He has already had a good deal of success in doing this by jumping into the market before other hunt for foreign exchange, thus securing some of the lowest and cheapest credit worldwide for the Philippines. But much still needs to be done.



Gerardo Sicat

Gerardo Sicat, 41, is sometimes accused in the business community of "having too many ideas." Indeed, as the first director of the national economic and development authority he is supposed to take the longer view of the economy, a task from which he does not shrink. "I think everyone is a little scared of me," the former professor of economics laughs. "Business thinks I want to do away with all their protective tariffs. Union activists go mad because I say wages must be controlled if investment is to come to the Philippines. Bankers are upset by our more flexible interest rates. You can't please everybody."



Apparently Mr. Marcos is pleased, though, for the President derives much of his thinking about economics from the teachings of Sicat who earned his doctorate from the Massachusetts Institute of Technology. Those teachings are a mix of respect for free-market mechanisms with a ready willingness to contravene them in a developing economy. In his 1974 book *New Economic Directions in the Philippines*, Sicat explains: "The principle of liberal economic policy with appropriate government intervention constitutes the major theme of economic rationalisation of the new society... this policy, however, does not that the price system of the market system is supreme and that no intervention by the Government is necessary."

It is Sicat's willingness to have controls, planning and supervision which has not endeared him to either side of industry, and he is responsible for the strong emphasis placed



net income in the preceding fiscal year's balance-sheet. The "go public" move, however, was not the first transition in the family-owned company since martial law. The Ayala family brought in Mitsubishi in 1973 as a minority shareholder. Furthermore, in line with public statements by Marcos that state companies would allot employee shares, Zobel pre-empted most other corporations by having Ayala issue shares to employees. There have been six such issues to date.

Going public so far has meant a reduction in the family shareholding from 100 per cent to about 70 per cent to-day, although no plans have been announced for losing the controlling share. Like many smaller family empires, the Ayala Corporation has had to make at least token amends since martial law, but President Marcos has not attempted to actually disband the old family empires. Had Zobel been a politician like many of his peers in the old oligarchy, the Ayala Corporation would probably have undergone much more drastic change than it has until now.



on the development of regions outside Metropolitan Manila. He views as of utmost importance regional development in order to avoid the severe population and income imbalances between industrial and farm regions which have arisen in other developing countries. Asked which school of economic thought he related most closely to, Dr. Sicat is reluctant to provide an answer, but confesses: "I like a lot of Keynesian theory, but a lot of it is junk in the Philippines." He insists that savings and capital accumulation are still the most urgent problems facing the developing economies, and sees no alternative to foreign capital to carry the economies through what he calls the "bottleneck phase" of the development process.

Sicat insists that without martial law, the Philippines could not hope to get past that phase. "The centre of decision-making has shifted from oligarchy to technocracy. This was necessary because only we technocrats can take into account the aspirations of the poorest people and act accordingly," he says. Will a return to democracy destroy the strides made so far? The planning secretary thinks not: "We needed to get up the momentum for development. That's what we're doing, and I don't think it can be undone."

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THE PHILIPPINES X

While the industrial world is reaching towards recovery from economic recession, the Philippines is anticipating bright prospects for the country's major commodity exports. Meantime plans are being developed which will gradually phase out export of raw materials in favour of semi-processed products.

Expansion in commodities

Coconut

The Philippines is at present the world's leading producer of coconut products, way ahead of its closest competitor, Indonesia. Of the world's total production, the Philippines accounts for roughly 44 and 53 per cent of Asia's total production. Expansion has been characteristic of the industry. To date, a total of over 2.2m. hectares is planted to coconuts, and the room for increased production is still considerable in view of the fact that the average yield of the country's 354m. palms is only 31 nuts per year, against the average of 100 in some countries in Africa. Research and hybridisation experiments are going on, and programmes for introducing fertiliser to increase yields are well on their way. They are part of a ten-year programme launched by the Philippine Coconut Authority to double production by 1985. In 1973, the industry had a labour force of 547,012 people.

Production last year, in copra terms, totalled 2.3m. metric tonnes of which 1.3m. metric tonnes (copra 830,000 tonnes; coconut oil 954,000 tonnes; desiccated coconut 79,900 tonnes) were exported, leaving 399,500 tonnes for domestic consumption. The value of coconut exports in 1975 was \$431m.

This year, figures from the United Coconut Association of the Philippines show that export earnings from January to August totalled \$350m, or 10.5 per cent above the \$317m. total earned in the same period last year. Volume exports so far in copra terms, up 47.7 per cent over the first eight months of 1975.

Coconut oil earnings increased by 21.2 per cent to \$183m. in 1975, while volume rose by 61.9 per cent to 532,900 metric tonnes compared to 360,000 tonnes. Copra exports totalled 645,000 tonnes earning \$114m, or a 32.7 per cent increase in volume, and an 11.8

per cent drop in value (486,000 tonnes worth \$129m.).

Copra cake/meal pellets export volume and value increased to 313,000 tonnes worth \$23m. Desiccated coconut export volume rose by 28.4 per cent to 50,000 tonnes, with value up by 3.1 per cent to \$20m.

With a view to stimulating the coconut industry to reach its full potential, the Investment Board has opened coconut oil production and exportation to both foreign and local investors. There are now some 35 oil mills operating in the coconut producing regions of the country, with a total milling capacity of 1.77m. tonnes, which is projected to increase to 2.8m. tonnes.

Faced with comparatively low prices for coconut oil and copra vis-a-vis other oils in the world market, the only alternative is to produce more as well as put more value into its exports in the form of processed or semi-processed commodities as well as underlining its markets to include its new found friends in the Middle East, China and the countries of Eastern Europe.

Sugar

Sugar production in the Philippines started as early as the 18th century when the first recorded export of 375 tons was made to the U.S. From that time sugar export volume has been continually growing to the present level of about 1.5m. tonnes. This has made the industry the country's leading foreign exchange earner, accounting for up to a quarter of total exports.

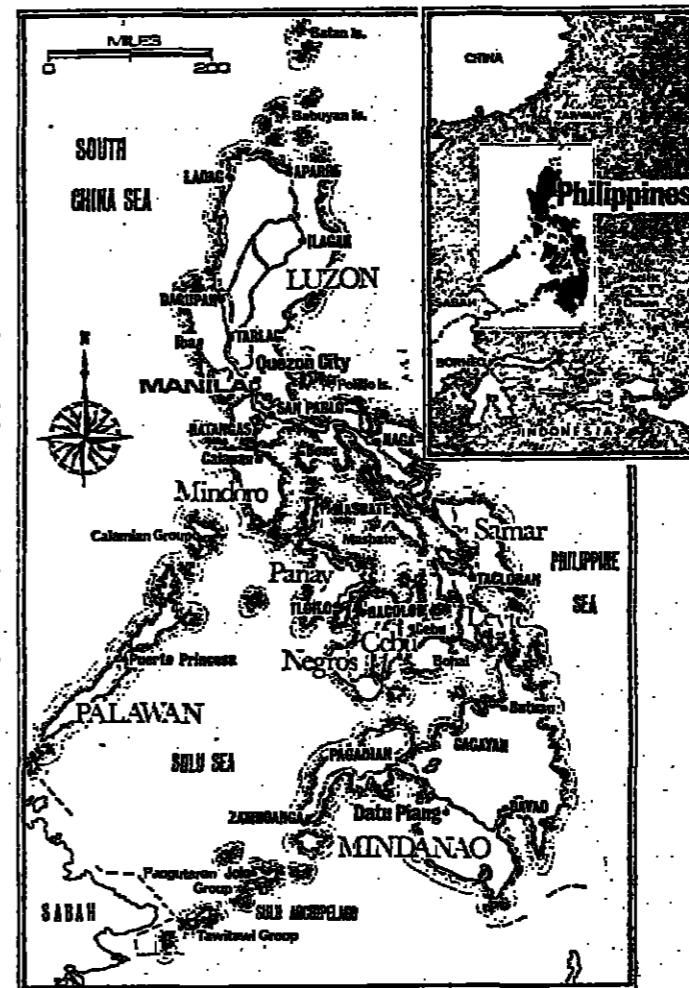
With the lapse of the Philippine-American trade treaty in 1974 and the repeal of the U.S. Sugar Act, many people thought the Philippine sugar industry was doomed to low prices in the world market. In fact, the low prices affected Philippine income from sugar last year—\$880m. compared with \$737.7m. in 1974, when prices in the world market went as high as 67 cents and when the Philippines started selling to markets other than the traditional U.S. refiners like China, Japan and Eastern Europe. In the face of the low prices, which went as low as 15 cents, President Marcos, under a policy started in 1974 whereby the Philippine Exchange Corporation, a previously unheard of subsidiary of the Philippine National Bank, took complete control of the sugar trade and held on to the country's sugar stocks in the hope of forcing prices up. By early this year, the stockpile of raw sugar had reached record proportions, with large quantities starting to rot in tennis courts and swimming pools which had been turned into makeshift warehouses. But this policy has obviously paid off. With the drought in Europe, sugar prices are up again.

The secrecy over the Philippines' new sugar policy was finally broken by President Marcos himself last March when he confirmed the sale of 400,000 tonnes to the Soviet Union, and announced a direct sale of 650,000 tonnes yearly for the next five years at an annual value of \$200m. to Sucrest of the United States.

A few days after the closing of the Sucrest deal, President Marcos announced a second five-year contract with another American refiner, the Great Western United Refining Company of Texas, under which the Philippines has committed an annual shipment of 500,000 tonnes valued at \$160m. With these two contracts alone, the Philippines is now assured of a market of more than 1m. tonnes in the U.S. Early this month, a further contract for 200,000 tonnes was signed with Texas Imperial. These contracts have only served to reinstate the U.S. as the Philippines' top sugar market.

In a recent speech, Mr. Roberto S. Benedicto, Philippine Ambassador to Japan, who is also charged with the handling of the country's sugar exports, explained the new strategy as necessary in order to attain the highest profits possible, since brokers or middle men are done away with. Mr. Benedicto explained that before the new sugar contracts with the American refiners, the Philippines was selling its sugar on a government to government basis to the Soviet Union and China.

Explaining the new sugar contract, Mr. Benedicto said: "After deducting the cost of processing and freight insurance, we bring the sugar to the U.S. Thus, we avoid price manipulations and the payment of commissions... we get the best



possible price because we actually sell in the retail market. For the first time, according to Mr. Benedicto, under this new system "we will participate in the determination of the actual price of sugar as sold in the American market by the refiners."

Assessing the future for sugar, Mr. Benedicto described the trend as "one of price stabilisation" which "unequivocally augurs well for the future of the Philippines sugar industry."

About 70 per cent of the Philippines total annual sugar production of around 2.5m. tonnes is for export. Officials are always tight-lipped about marketing plans and even refuse to give estimates of production, for fear, they say, that such disclosures might affect prices.

Like all other agricultural sectors, sugar production is also being improved and a number of new mills are opening in addition to the expansion of capacity of existing ones.

Copper

The mining industry started showing signs of recovery during the first six months of 1976 after hitting bottom in 1975. Copper, the main Philippine mineral export, in particular seems headed toward a better performance and, according to the Philippine bureau of mines, "barring any major disturbance, another bullish market is likely for copper in 1977." During the first half of this year, copper registered a 7.85 per cent increase in volume and a 22.39 per cent rise in value, and a continuing increase in world prices for the metal is expected to sustain its recovery, coupled with expansion programmes being carried out by a number of copper firms this year.

In 1975, exports of Philippine copper concentrates, mostly to Japan, amounted to 228,400 tonnes, fetching \$220m., compared to \$370m. in 1974 from some 225,500 tonnes. Exports this year, according to a spokesman for the country's biggest copper producer, Atlas Mining, could easily go over 230,000

tonnes, or at least 5-10 per cent higher than last year.

Philippine troubles with copper started with the slump in world prices last year and were further aggravated by a 15 per cent cutback in Japanese imports of concentrates, plus the increase in processing charges imposed by Japanese smelters. The matter of the Japanese cutbacks, raised at one point to government level, has not been resolved, with Japanese smelters agreeing to absorb those cuts along with the shipments contracted for this year.

As a result of the disadvantage of this heavy dependence on the Japanese market, the Philippine copper industry has tried to broaden its market, and sales are now being made to China, Yugoslavia, the Soviet Union, Taiwan, India, South Korea, with Bulgaria and Romania as likely future buyers.

To hasten its recovery, which forced most of the 12 primary producers and four secondary producers to cut back on production and in some cases forced closure of mines, the industry is constructing two copper smelters, both of which are already in an advanced stage of engineering.

One of these smelters, wholly owned by Atlas and with a capacity of 130,000 tonnes, has

had to be put off in favour of a Government-backed smelter to be set up in the Philippines' main island of Luzon, and which is expected to be operational by 1980. This smelter, to be operated by a consortium of all the country's copper producers, is designed to produce 84,000 tonnes annually. An Atlas spokesman said the Atlas smelter would probably open in the central Philippine island of Cebu, two years after the other smelter.

Philippine copper deposits in 1974 stood at 2,775m. tonnes. Even at the estimated annual extraction rate of 57m. tonnes, the Bureau of Mines says the country has enough copper for the next 30 years, and considers the proven deposits constitute only about a third of what is still waiting to be discovered.

Caught between the need to conserve rapidly dwindling forest resources and the kind of money it has been bringing in, the Philippine timber industry faces mixed prospects this year. Already industry sources are talking of a moderate upturn in business after a two-year slump, as demand in Japan and the U.S., the principal markets, picks up.

The industry is a challenge to foreign investors because of the large forest resources and a new Government policy on wood processing, which requires large amounts of capital and technology. Until recently, the timber industry was a free-for-all undertaking, characterised by indiscriminate cutting of forests. Studies showed that unless something was done about it, the country's 13m. hectares of forest would have been totally denuded by the year 2043. The forests were being reduced at a rate of 203,900 hectares annually, and reforestation efforts were moving at a rate of only 9,388 hectares a year. In 1968, the country's forest lands totalled 18.7m. hectares, or about 55 per cent of total land area.

On the basis of a Government committee report commissioned in 1971, the Government ordered the phasing out of all log exports by 1976 and decided instead to process the logs for export. The change from log exports to processed or semi-processed wood products has been very slow, and to-day logs are still the major export. Veneer and plywood exports have increased, but they still have a long way to go.

However, for fear of dislocating the industry and in view of its need for foreign exchange, the Government modified the ban on log exports a few days before it was due to go into effect by allowing timber licensees who had complied with or were already at some stage in the establishment of processing facilities to export up to only 25 per cent of their total allowable cut. The ban, had it been fully implemented, would have led to the local processing of the country's average annual output of 10m. cubic metres.

Exports of logs and other wood products last year brought in \$194m., well down on the figure for 1973 when exports between January and September reached \$495m.

In early 1975 there were about 355 active sawmills, with a daily capacity of 7.35m. board feet, or a rated annual capacity of 2.2m. board feet. Actual production, however, was only a quarter of that, or half the estimated log requirement. The scope for expansion, merely by getting existing facilities to operate at their maximum capacities is considerable.

J. M. M. Suarez



Sugar is recovering its position as one of the country's main export crops.

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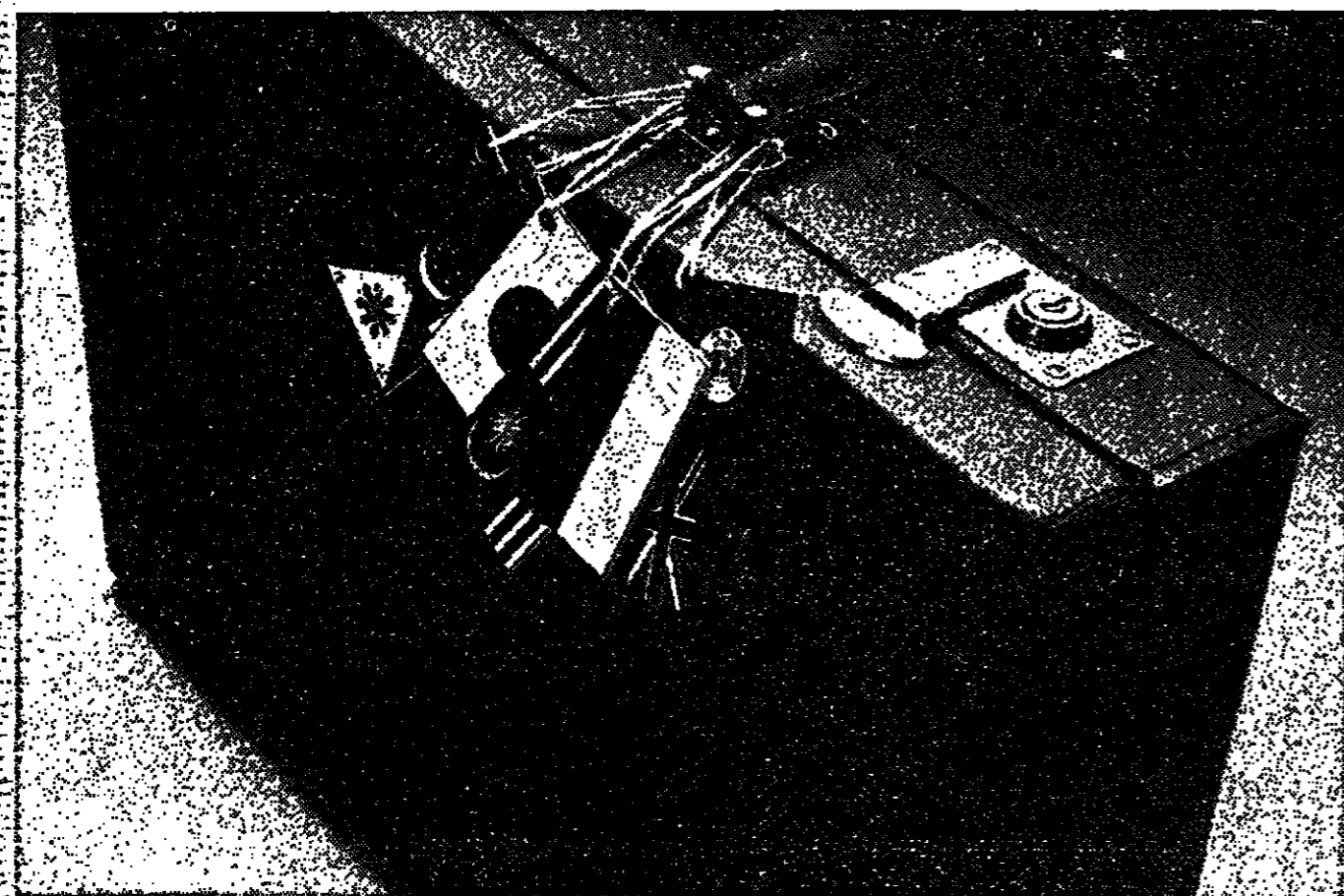
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THE PHILIPPINES XI

The Philippines was the first Asian country to experiment with the Green Revolution in rice production, and became self-sufficient in staple foodstuffs for the first time this year. But although agriculture has benefited from the reform programme, inflation has also been taking its toll.

Agricultural reforms reap rewards

THE PHILIPPINES was the first Asian country to experiment with the "green" revolution in rice production. It was not until this year that the country really achieved self-sufficiency in its staple foodstuffs, with buffer stocks of more than 1m. tonnes.

The only other time the Philippines did not have to import rice was between 1969 and 1971, because of good weather and the rapid spread of the first rice (International Rice Research Institute) hybrid, the IR-8, which increased. At that time officials even boasted they were looking for export markets.

However, a series of typhoons struck in 1971 followed by a widespread rice disease against which the new strain had no resistance. Then in 1972 the country's major rice producing region in the Luzon plains experienced the worst floods in Philippine history. Hardly had the floodwaters receded when a severe drought set in. By 1973, Filipinos found themselves lining up at ration shops spending an unpalatable mixture of rice and coarse corn.

Aside from the weather and the pests, there were other things that militated against the farmer. For one thing, the overpopulation, perhaps compounded following the good crop of 1971, shifted its attention from rice production to other problems. The farmer was left ignorant of the latest techniques in weeding, using water and applying fertilisers. Nor did he have the money to buy the seeds as well as the fertilisers and pesticides on which the new varieties depended so much.

It was from the crisis of 1973 that the first really serious Government effort at rice production was born—the "Masaganang" programme. The programme means bountiful and the 89 stands for the target of 89 sacks of paddy per hectare. President Ferdinand Marcos himself launched the programme in May 1973 and in only 2 months, from July 1973 to June 1974, production shot up to 3.4m. tonnes from only 2.7m. tonnes the previous crop year.

Most of the elements for success were already present when the programme was launched. A total of 900,000 hectares was planted to rice under the programme. In the last crop year, 1973-74, the average yield per hectare went up to over a million, and participating farmers harvested 3.8m. tonnes, a new record. The new rice varieties, a low-cost slightly higher than consump-

tion. With a large carry-over from last year's already good crop and some 200,000 tonnes of rice imports, the country has amassed its reserves of more than 1m. tonnes. Credit too, rose to some \$400m.

Another equally important task was to make sure the farmer accepted the new technology and followed it day by day. The Government trained and later fielded 3,200 agricultural extension workers to assist and supervise the farmers. In addition, the biggest publicity campaign the country has ever seen was launched. The advertising agency J. Walter Thompson, donating its services, drew up the campaign, which consisted in daily broadcasts of catchy songs, jingles, and skits, all instructing the farmers on how to apply pesticides. The broadcasts were made daily at dawn and at dusk.

To supplement the radio programmes, handbooks containing simplified instructions were printed and distributed, as were brochures and illustrated magazines.

Co-ordination of the various activities was ensured at all levels, particularly at provincial and town level where mayors and provincial governors headed action teams that linked up with the banks, rice millers, fertiliser and pesticide dealers, the local radio network, Government agencies involved in agricultural production and the rice traders.

Fertiliser was subsidised, reducing prices by 21 per cent. at a time when world prices, aggravated by the oil crisis, were rising rapidly. In the programme's first year, it took the farmer only 1.6 kilos of paddy to buy 1 kilo of fertiliser, a favourable price indeed, and one which encouraged adequate application of fertiliser. Then, too, the Government set up a price support programme that guaranteed the farmer 86 per cent of the market price at harvest time.

The direct result of the programme, of course, has been the attainment of self-sufficiency for the country and, for the farmer, more money to spend. According to Mr. Tanco, the farmer with an average 2.3 hectares has more than doubled his income—after paying all his costs—from only \$180 to \$380 for the main crop during the past three years.

With the increasing use of irrigation, on which Government has been spending more and more, and the development both by the IRRI and the University of the Philippines College of Agriculture of fast maturing seeds, two rice crops a year are possible for most farmers under the programme. With more income, the farmer is thus able

to pay for the land he acquired under the country's land reform programme.

But that is not all, for, as Mr. Tanco says, "We have noticed sharp increases in rural bus travel, enrolment in schools and the sales of such goods as refrigerators, radios and cooking stoves." In fact, dealers in household appliances have reported higher rates of sales in the countryside than in the urban areas where inflation has cut deeper into people's buying ability.

Expensive

For all that, the programme had some serious problems, particularly during the second year. Aside from having to contend with the 22 typhoons that hit the country between July and November 1974, inflation made the cost of the fertiliser subsidy too expensive. The harvest, which fell below expectations, was nevertheless marginally higher at 3.5m. tonnes than the first year's 3.4m. tonnes.

Farmers' incomes dropped by some 20 per cent. This was reflected on the loan repayment rate which also declined to levels considerably below the previous 85 per cent.

With the increase in farmers participating, extension workers found themselves overburdened. Compared to the first year's 170 to 1, the farmer-technician ratio went up to 230 to 1 in the second year, forcing the Government to hire and rapidly train more extension workers and bring the ratio to a more comfortable one of 150 to 1.

Loopholes in the fertiliser scheme also appeared and were aggravated by the soaring fertiliser prices. One such defect was the subsidy programme whereby producers of rice and other foodstuffs bought their fertilisers at subsidised prices but producers of export crops like sugar had to procure theirs at import cost.

In the first year a bag of urea cost the sugar planter only \$1 more than the farmer. By 1974 the difference had widened to as much as \$15 and the subsidised fertiliser intended for rice production found its way, through illegal sales by some farmers who saw a chance at making quick profits, to sugar planters.

The Government, to minimise the diversions of money and to keep the subsidy within a range it could afford, had to increase fertiliser prices to rice growers by as much as 300 per cent, from only \$4 to about \$17 for a bag of urea. This inevitably led to reduced fertiliser usage and in turn to reduced yields per hectare.

In so far as the fertiliser problem is concerned, the Government has had again to bring the price down to more acceptable levels, at the same time taking steps to increase local production and entering into complementation schemes with Indonesia and Malaysia. Fertiliser subsidies are therefore expected to continue only until 1977 or possibly 1978.

Loopholes in the credit scheme, according to Mr. Tanco, have also been plugged by the more selective granting of loans. A number of Government workers have been sacked more jeans have been purchased to act as mobile banks and the number of rural banks is expected to be doubled in five years.

The rice support price has also been increased to \$7 per sack of paddy and the Government has expressed willingness to adjust this from time to time to match rising costs.

Meanwhile, a massive rat extermination programme has been mounted and experiments on double cropping are going on. More investments are also being poured into irrigation and a \$10m. fund has been set aside to establish seed farms that are expected to produce enough certified seeds of the high-yield, disease-resistant varieties in two years' time.

The land reform programme has no doubt been one of the great incentives for farmers. Martial law was barely five days old when President Marcos decreed all rice and corn lands in the Philippines under land reform. Covered in this proclamation was a total tenanted land area of around 1.3m. hectares. Tenants involved totalled almost 1m.

Finance had been the stumbling block to previous land reform efforts. Under martial law, Mr. Marcos has set up an agrarian reform fund to assure just compensation to the landowners. The initial fund was \$300m. but total financing for the project is expected to reach up to \$1bn. The idea of the present land reform scheme is to hand over ownership to

the tenants and get the big landowners to invest instead in industry.

Critics have attacked the programme for moving too slowly and Government officials have been quick to come to its defence, saying that the Government, although it could, did not want simply to divest the landholders of their lands. President Marcos has himself assured the landlords that "it is the intention of the administration to do justice to everyone."

Of the total land area involved in the project, 41 per cent, or about 450,000 hectares, are in farms of the 50-hectare-and-above category. When the project is completed close to 1m. tenant farmers are expected to own their farms, or at least have leaseholds on them.

A total of 759,015 hectares, with some 39,775 tenants, is subject to land ownership transfer, while another 663,672 hectares comprising tenanted farms of 7 hectares and below would fall under the leasehold category whereby a total of some 321,139 tenant farmers are expected to be given lease contracts should their landlords decide not to sell.

In charge of carrying out the programme is the Department of Agrarian Reform under Secretary Conrado Estrella, who has sent some 9,000 field workers to do the surveying and documenting of land titles as well as to organise tenant farmers into co-operatives geared in turn to introducing modern methods of production.

To date there are some 10,638 such co-operatives, membership of which is a priority for tenant farmers to qualify for land reform.

As of August 31, 1974 figures from the Department of Agrarian Reform show that of total tenants qualified for land ownership transfer, 352,443 have been identified. Of this

total, 221,078 had received their certificates of land transfer and are considered amortising landowners. Hectareage involved is 353,882 hectares. Another 155,093 tenants on farms of seven hectares and below have now written leases with their landlords.

There are some tenants, though, who have completely paid for their lands, but these total only 110 farmers cultivating 63.8 hectares. These are the farmers who have to date exchanged their amortising land transfer certificates for full emancipation patents, the final goal of land reform with the tenant tiller receiving three and five hectares on the average.

Voces are already being heard from certain farmers' organisations asking that land reform cover not just rice and corn lands but all tenanted lands as well, including sugar and coconut lands. Secretary Estrella, however, has been quoted in the local Press as saying land reform for all kinds of lands, particularly sugar and coconut lands, was not yet foreseeable—although everything would really depend on President Marcos. However, according to Mr. Estrella, his department has its hands tied at present with the land transfer in the rice and corn sector which in itself is a "gigantic task."

Compensation

There are several methods by which landlords are compensated. One is an outright cash payment of 10 per cent. with the balance consisting of land bank bonds, certificates of indebtedness that earn interest at a rate of 6 per cent. per annum and are completely tax free. These bonds may be used as collateral for loans from rate in 1974.

By last year over 10.7 hectares

of land were under agricultural production, with rice and corn showing the biggest increases. This does not include bananas, which at present cover a total area of 211,780 hectares, producing 1,012bn. kilos.

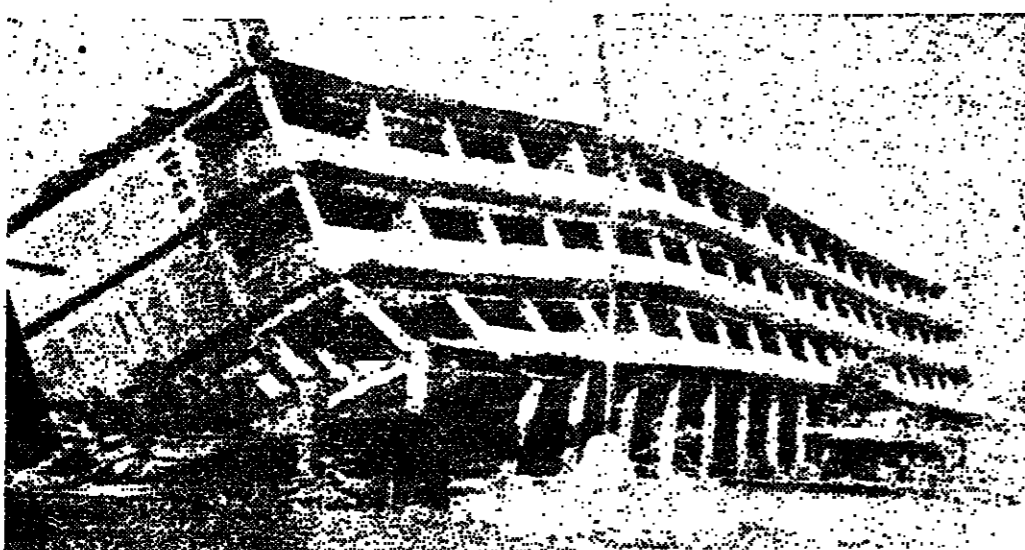
In 1974 the successful elements of the rice programme were put together in a separate programme to boost corn, sorghum and soyabean production. Dubbed *masaganang nasyon* (bountiful cornfields), the programme is aimed at attaining self-sufficiency in food grains within a few years. The programme also saw the launching of the country's first commercial-scale plantings of cotton, initially covering 200 hectares.

Improved

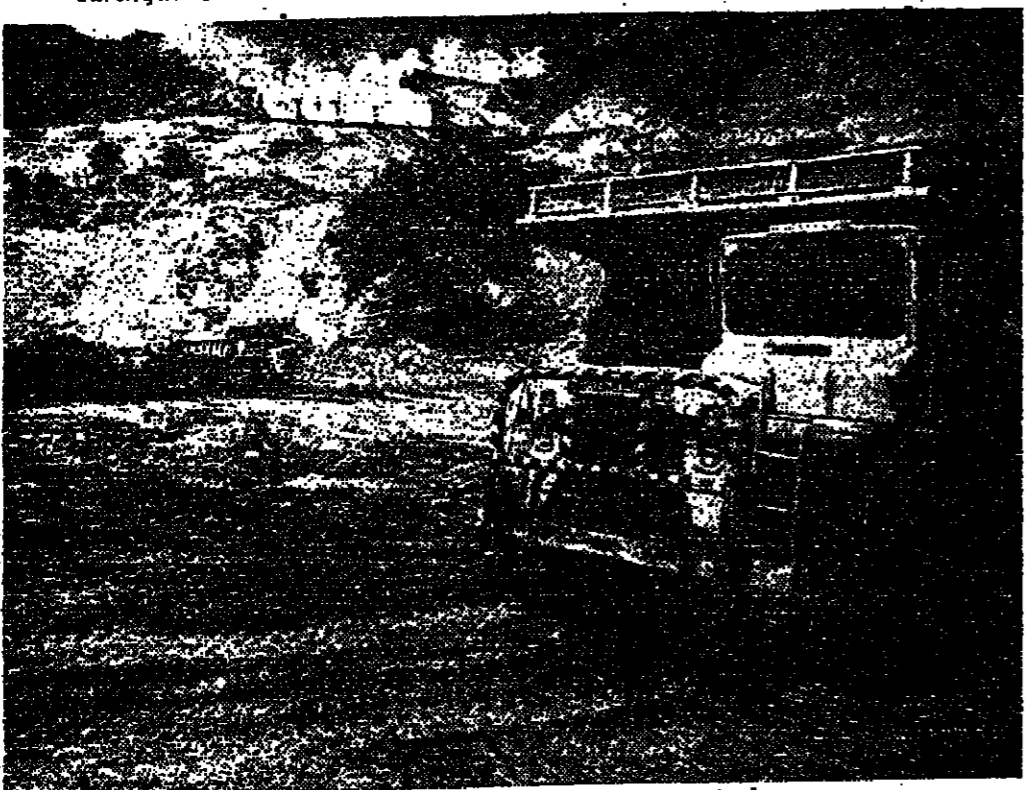
Once sufficient supplies of feedgrains are assured through increased production, the pig and poultry industries are expected to continue the rapid growth they demonstrated in the 1960s and possibly even bring prices down. The country at present is self-sufficient in poultry and pork but is miserably short in beef, where steps were also taken in 1974 to improve production. A ten-year cattle production is expected to achieve self-sufficiency by 1983.

The programme is supported by a \$7.5m. World Bank loan. Continuing heavy expenditures are also being made on irrigation and in 1974 the huge Pantabangan Dam, the biggest infrastructure project of the Government, was completed, irrigating some 57,000 hectares. The next year, a series of dykes, sluice gates, and pumping systems were set up. In 1968 the country had only 400,000 hectares of irrigated rice lands; the figure went up to 676,416 hectares by 1973 and more irrigation projects are in hand.

J.M.M.S.



Destruction: The Philippines has suffered its share of natural disaster, like the earthquake which devastated a large area in the south two months ago.



Construction: The agricultural reform programme has also introduced a need for new dams and other forms of civil development.

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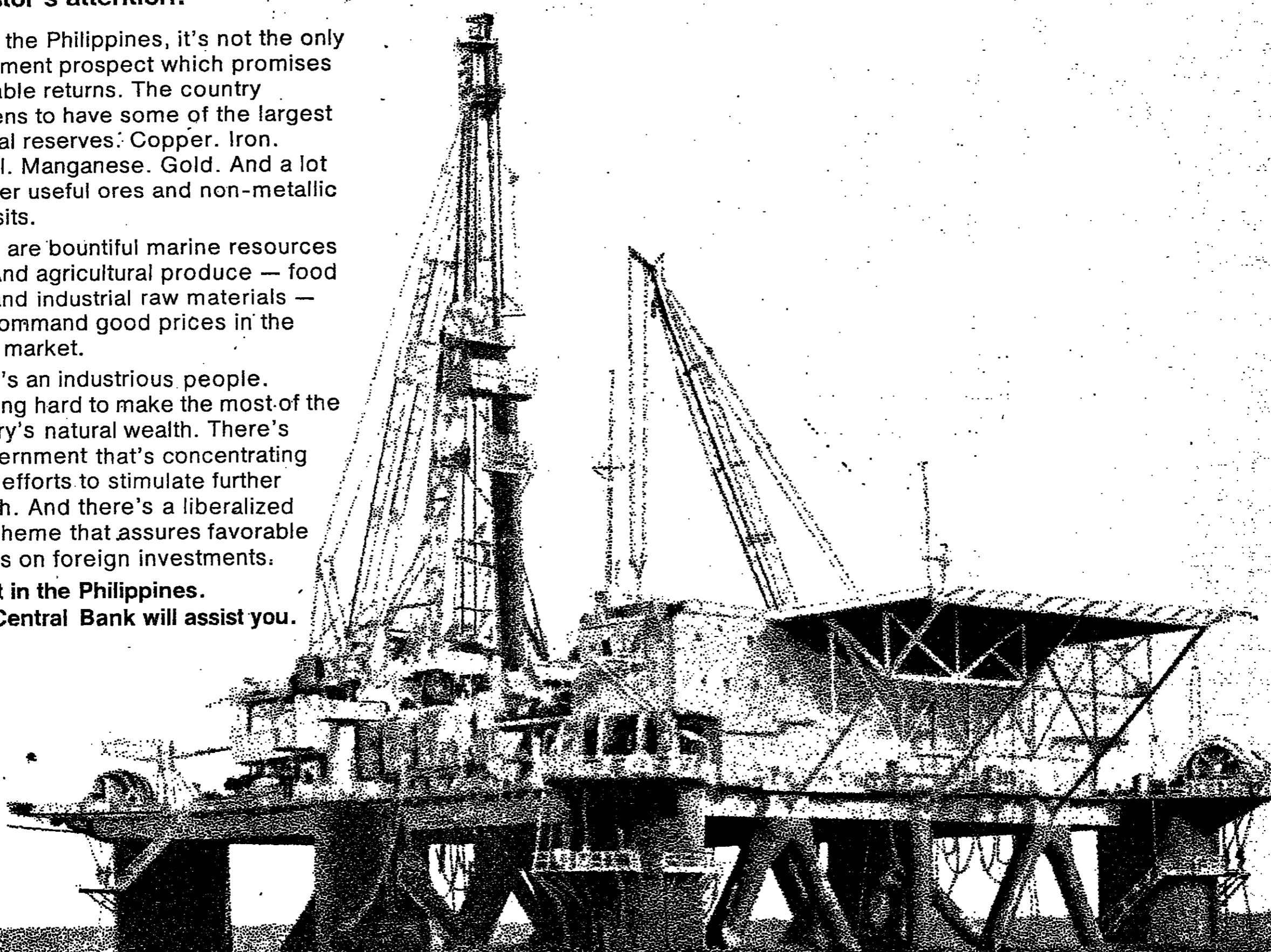
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ECONOMIC VIEWPOINT ON THE STERLING CRISIS

BY SAMUEL BRITTON

A political solution is needed

THE CRISIS we face is not a technical but a political one. The last thing that is needed is another hasty package of financial measures to shore up the pound for another few weeks. Indeed if somebody were to give me carte blanche to prepare a list of measures the Treasury and Bank of England to take, with the assurance that they would be seen, I would have little confidence that they would do any good.

To put a similar point the other way round: if the assurances to reduce the Budget deficit and growth of the money supply already announced were, say, last July and last weekend had been taken earlier as part of a coherent programme, and not as a series of ad hoc adjustments to unexpected runs on sterling, and if taken place against a background of political confidence, they would probably have been enough.

Without such a background, conventional tough financial policies will simply be seen as another series of restrictions and their main effect will be to stop industrial recovery in its tracks. Mr. Wynne Godley recently wrote that a £5bn. in next year's Budget deficit would increase prices by 10 per cent, add a million unemployed, push wage settlements up 20 per cent, and generate an investment slump.

This result is indeed all too likely if those "cuts" are made as a series of emergency packages, with the main emphasis on higher taxes of one sort or other. But it is not ordained by the Laws of the Medes and Persians, and against a recent background, the effect might be to reduce inflationary expectations and release resources for private investment.

Indeed, a reduction of the Budget deficit brought about by tax increases would do more harm than good, while a combined reduction of spending and taxes might give economic activity a boost undreamt of in conventional models. Most of us who write about economic policy are guilty of spending too much time on general economic management and subjects such as inflation, and not giving enough attention to the incentives operating at the individual level. A reduction of the top marginal rate of tax to 50 per cent—which was "politically impossible" even under the Conservatives—would do far more good than any conceivable act of demand management.

The basic problem is neither a monetary nor a balance of payments one. Mr. Callaghan is absolutely right to say unemployment is caused by paying ourselves more than the value of what we produce. I only wish that he could persuade his official advisers of this: some of them still think that it is only the state of sterling that prevents us spending our way out of the recession.

But rather more needs to be said. The value of an hour's work is not something that can be read off a dial by a prospective employer. To an overseas investor, Britain is a low wage country. The dollar equivalent of British wages is far lower than that of wages in any other industrial country and was so even before the 10 per cent drop in sterling since the end of August. On these considerations alone, there would be a flood of overseas investment sufficient to finance a £2bn-£3bn deficit several times over.

Import controls are in this context an irrelevant irritant. They are inappropriate to a

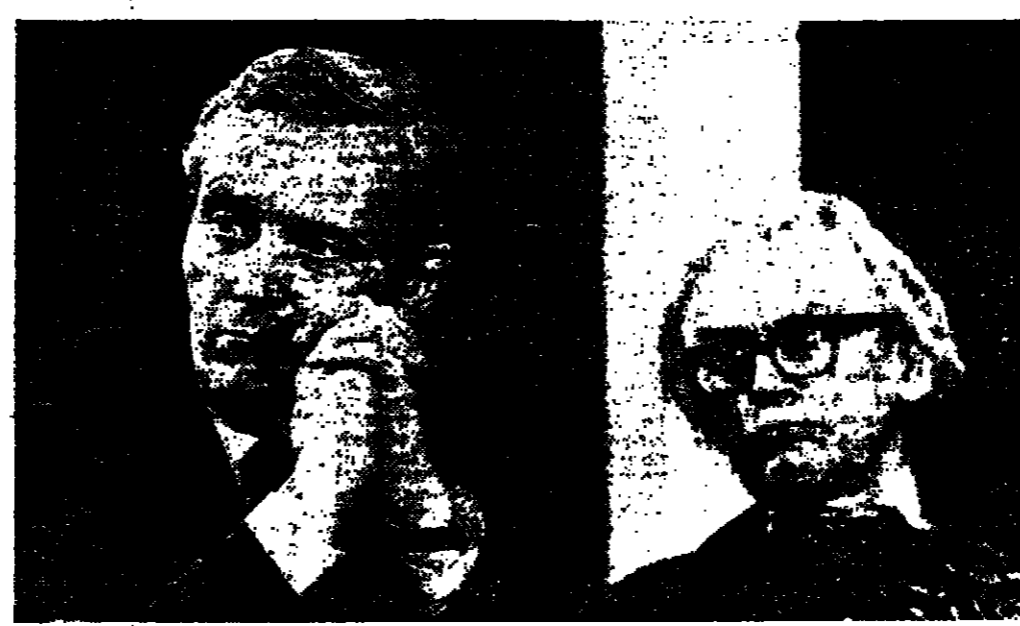
capital outflow several times the size of the current deficit and would be quite dwarfed by the inflow of funds should confidence return.

Why is there no such inflow? To explain one must go beyond the sort of factors economic commentators are supposed to discuss and outside the framework of mechanistic models. Mr. Callaghan said that no economic system would support investment unless industry could earn a profit. This is not the first time that he has explained the importance of profits to the Labour Conference. He last did so as Chancellor in 1967, when because of the imminence of devaluation, he could not discuss sterling.

Why is the message not believed?

The real worry of a potential overseas or British investor is whether he will be allowed to make a profit and pay out a market return to his shareholders. What confidence can he have that overseas investment will not be taken over or frozen in some future swing of policy? He notices that Mr. Benn, who wants to abolish capitalism, is a conference hero and widely discussed as a future Labour Prime Minister, and that Mr. Norman Ashton was elected Party Treasurer the same day as Mr. Callaghan spoke out the monetarist case. He sees that the Conference repudiated the Labour Government's own spending cuts when public spending is running high enough.

The foreigners and businessmen who are said not to understand the mechanics of the Labour Party may not be as stupid as the political cognoscenti suppose. So long as Mr. Callaghan insists on working in an exclusively Labour-TUC



Part of Mr. Callaghan's unenthusiastic audience on Tuesday: Mr. Benn and Mr. Foot.

framework, his ability to fend off demands for tighter price controls or for state direction of the funds of the institutions or countless other pieces of idiosyncrasy will depend on a never-ending series of tactical engagements in which victory can never be taken for granted.

Nor would the prospect be any more secure if Mrs. Thatcher were to come in as head of an exclusively Conservative Government after a victory in a traditional adversary contest. Everything would then depend on a single throw of the dice. If Mrs. Thatcher were defeated by industrial confrontation, or the mere swing of the electoral pendulum, or were forced into familiar Union, this could be the death knell of the market economy: with little prospect of any coherent alternative economic system in its place.

At this stage, people ask me what I am hinting at: a coalition, or the holders of sterling, the need to eliminate pathological features of the political system which give so much influence to the party zealots (not always "extreme") who are neither representatives of their fellow countrymen nor qualified to speak on the subjects on which they pontificate.

The British sense of political propriety has degenerated into a knowing cynicism. There are two things which are fundamentally wrong with this Government. The first is that people have to pretend to believe they do not hold. It is normal to tell the Labour Left that they want to go too fast, or they cannot have all their socialism in five minutes, as a Callaghan aide is supposed to have said recently, and the kind of remedy that I used to hear in university

politics. What sort of message is this for the young, the enthusiastic and the talented? Why has no Labour leader since Gaitskell been prepared to say that nationalisation of all the banks, is not just an electoral albatross, but a threat to personal freedom and is not desirable, full stop?

The second thing is peculiar to the post-1974 Labour Government. During the first Wilson Administration, and even more in the preparatory period of the 1963-64, the moderates at the top of the Labour Party succeeded in what they were planning. To-day, many Ministers do not attempt to justify many of their policies except on grounds of political necessity. If the present level of public spending were necessary and desirable then it could be financed. But many "moderate" Ministers do not attempt to justify for instance the indiscriminate and expensive housing policies which are probably the biggest single source of our difficulties and which were inaugurated by Mr. Anthony Crosland, widely billed as the next Chancellor. The only line is that further cuts beyond those of last July could split the Labour movement.

Most depressing of all is the way in which top officials have been mesmerised by union power since their defeat in the miners' strikes of 1972 and 1974, themselves partly due to departmental misinformation. Because of their devotion to out-of-date economics, Government advisers, but in the end have helped to create just the threat they feared.

Indeed, the major weakness of Mr. Callaghan's actual Conference text was that he was backing two entirely different approaches: one based on market forces in a monetarist framework, and the other on incomes policy and industrial intervention. In fact many moderate Tories and senior civil servants are more incomes policy oriented, and even more interventionist than some Labour Ministers, which is one reason for being doubtful about many of the individuals conventionally named for a Government of the centre. The best thing to be said for such a Government is that it would buy a little time in which to reflect without a frenzy of senseless "action."

In short we have not merely a monetary failure, still less a failure of capitalism, but a failure of our political system and its surrounding establishment. The priggish pretence that inflation was about to descend

to the world average in a period which is constantly rolled forward a year has bedevilled policy, and the fact that the world inflation rate is itself 8-10 per cent, is comfortably glossed over. This sort of self-righteousness leads to a veto on indexed bonds which would not only put the Treasury's own finances in order, but do more to encourage investment in the private sector than the whole of the industrial strategy.

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Letters to the Editor

Package tour pricing

From Mr. R. Ferry.

Sir—The article outlining the arguments within the travel industry over package tour pricing is your correspondent, Mr. Thur Sandles (September 27) uses an interesting question. The tour operator members of the Association of British Travel Agents choose Mr. Harry Chandler to champion their cause for the abolition of remuneration. Mr. Chandler does not say commission to retailers members of the association; thus his business cannot be damaged by any adverse reaction to his advocacy may provoke. A shrewd move by the tour operators who apparently continue to value the business received via the retailer will more effective sales outlets be established.

It would perhaps be of interest to the retailer members of ABTA know what would be the position should Mr. Chandler's re-selling operation fail on hard times requiring the association to mount a "rescue operation" for his clients. Would it be paid directly or indirectly the time or by some future by those funds paid into ABTA by those retailer members whom Mr. Chandler's organisation does not pay commission? The question is likely to remain purely hypothetical in the case of Mr. Chandler, who has an enviable reputation for running a very efficient and prosperous operation.

If, however, the abolition of commission leads to increased direct sales operations by ABTA tour operator members, the principle whether or not their money is used to meet liabilities incurred by an organisation which does not pay them commission must surely be a matter for those retailers whom Mr. Sandles mistakenly thinks hold the power within the association.

Enquiries: Hanson Associates, 4 Floor, Epic House, 101, Victoria Street, Leicester.

A tariff barrier

From Mr. R. Cassidy.

Sir—When I read on your front page (September 25) that the pound has depreciated against other currencies by 43.5 per cent, compared with December 1971, and on the same page that the CBI and the TUC are planning for a united view on the need to protect British industry from cheap foreign manufacture, I wonder what part of a world we live in. If foreign manufacturers can continue to compete in this country, even though their products are costing 43.5 per cent more than they were in December 1971, what can the combined efforts of the CBI and the TUC be searching for? We have effectively erected a 43.5 per cent tariff barrier against foreign imports in the last five years.

Portland Road, Wellingborough, W.I.I.

From the Deputy Chairman, British Airways.

Sir—Mr. Verstage (September 16) has answered some of the points raised by Mr. Norton's letter of September 23, but might add that in contrast to British Airways' staff numbers, those of United Airlines, for example, could hardly have been two more different lines.

First, approximately 90 per cent of United's passengers fly only on domestic services compared with British Airways 70 per cent on international routes. Second, United's route network is a mere 30,000 km. compared with British Airways' 627,000 km., 98 per cent of which is over international routes. Mr. Norton seeks to compare the Woolwich Ferry with the QE2.

British industry, as a whole, is vulnerable to the charge of over-manning. Because of our recent merger, this problem has been, for us, especially acute, and to be confronted with it, we have called for a selective strategy. Moves towards higher productivity—fewer people, perhaps more highly qualified, earning greater individual rewards—cannot easily outstrip the pace of national progress. Terms and conditions of employment, taxation levels, attitudes to work and to the acquisition of skills all depend on current British trends, and not on one company alone, however large.

Perhaps, also, Mr. Norton might like to compare the relevant total wage costs of the two airlines he cites. H. E. Marking, British Airways, P.O. Box 13, Victoria Terminal, Buckingham Palace Road, London, S.W.1.

Exporting coal

From Mr. R. McLaren.

Sir—Your letter from Mr. R. N. Ruckle (September 23) points out that the Coal Board is contemplating exporting coal if it was allowed to open up new coalfields in the Vale of Belvoir. This certainly is a matter that needs urgent public consideration before some Government inquiry opens.

The export of little market for the export of coal, Bulgaria and Romania are importers, but the business of making up their power deficiencies, I consider, would not be worth our while. This speaking most modern countries are reducing coal production for economic reasons, so why should we consider the Coal Board's idea, which goes against the grain of world trends?

As we now belong to the European Community, which has been reducing coal production this past few years and relying on the stimulation of other sources of energy, such as gas, oil, and electricity, we should surely be unwise to fall out of step into a totally opposing policy.

Not only would we be likely to lose money directly in trying to export coal in a restricted market, but we would also lose agricultural land and produce in the Vale on a considerable scale, not to mention the pollution of a very beautiful area which thousands of people in the Midlands like to visit for repose, recreation, and fresh air.

Recently it has been reported that the Coal Board wishes to double its borrowing powers as its "Plan for coal is costing more, due to new projects, casting mistakes, and, of course, inflation, which is beginning to increase again. Any "new" project should not be for the export of coal, and should be located in areas where the existing infrastructure is suitable, and not as in the Vale of Belvoir, where the Coal Board would have to start afresh.

R. McLaren, 63, Church Street, Kidlington, Oxford.

From Mr. H. Dykes, MP.

Sir—Mr. Sampson (September 25) has got things a little mixed

up on the European Parliament and who is entitled to be a member.

At present the Parliament is indirectly elected, or nominated only. The Treaty of Rome and, more recently, the Treaties governing the accession of the new member states in 1973, prescribe who shall be members. Article 138 (1) states that the Parliament will consist of members "designated" by the respective parliaments, from among their members in accordance with the procedure laid down by each Member State (see Chapter 1, Section 1 on "The Institutions").

Further, in Chapter 11 of the revised "Rules of Procedure" of the Parliament itself (January 1974) Rules 3 and 4 establish the precise conditions for such Members of national Parliaments to take: bold, and eventually, give up their European place.

This legal authority is this clear and accepted by all the countries. Of course, when direct elections come, all this should be maintained. The present dual mandate would become optional, and discretionary, rather than compulsory as now. Then Mr. Sampson could try to stand for the European Parliament like anyone else, whether MP or not. Hugh Dykes, Member of the European Parliament, House of Commons, S.W.1.

Confusion over headhunting

From the Managing Director, Business Development Consultants.

Sir—The British Institute of Management Information sheet on headhunting, reported on by you on September 21, draws attention to the prevalent method of recruitment. This form of recruitment arises from associating a quality of service expected from a consultancy with the method of recruitment it uses. Method and quality of service need to be matched if the most effective use is to be made of the recruitment firms. But this is far from easy in practice.

The degree of objectivity and the care taken in selecting candidates should in no way depend on the recruitment method used. The fact that the search or head-hunting firms are thought by some to provide the most effective method of recruitment in cases when advertising would produce the best results, and more cheaply, it is this which is bringing head-hunting into disrepute.

Selecting recruitment will in many cases have a greater effect on the success of a recruitment exercise than the quality of consultancy advice obtained. Search can be the only way to obtain a rare specialist or a senior chief executive; advertising is almost always the most successful method when the search is from a very wide field; using registers of candidates may meet a critical timing constraint. Few consultancies practice all three methods and so can be relied on to provide unbiased advice. Therefore the Company should normally decide on the method of recruitment for itself before selecting the consultancy.

Even if this approach is adopted it is not easy to be sure you select an appropriate firm to help you. Some companies search consultants only on The NAPP and a great number registers for obtaining most of their candidates and do little or nothing to be members of the

search, while some advertising firms, when advertising falls so a clear agreement on the method to be used needs to be reached at the start of an assignment. This should increase the chances of a successful outcome. It should also ensure that an appropriate fee is charged.

Terence P. Hart Dyke, 26, Dorset Street, W.1.

Making a good partnership

From the Chairman, Society of Pension Consultants.

Sir—Mr. Myles J. White, at the end of a letter (September 18) dealing with the controversy aroused by the White Paper on members' participation in the management of pension funds, suggests that "... all the fuss ... is designed to convert the White Paper into a 'red herring' to distract attention from the real task in hand—that of making the partnership between good occupational pension schemes and the new State scheme a workable reality." This is surely an odd way to describe what is happening.

I know of no one in the pension industry who wants to distract attention from what Mr. White very truly described as the real task in hand of making good the partnership between occupational pension schemes and the new State scheme. But he is right in believing that the controversy is, very regrettable, the real task in hand. Could it not be that it is the controversial nature of the White Paper proposals, in the form in which they are presented, to which not only industry but individual members and shop stewards of occupational pension schemes with their own satisfactory systems of member participation have objected, which, although of course not designed to do so, are having this very unfortunate effect of distracting all concerned from what should be the real task in hand, which I would describe even more basically as bringing about better pensions.

(Sir) Donald Sergeant, Buckingham House, 6/7 Buckingham Street, W.C.2.

All should be represented

From: The Chairman, The National Association of Pension Funds.

Sir—I do wish that contributors to the discussion on the White Paper on member participation would stick to the point at issue. Mr. Myles J. White, in his letter (September 18), talks of a "great deal about negotiation and bargaining in the pensions area and even brings in the weary old red herring of non-trade unionists riding on the back of trade union negotiation. All this is quite irrelevant to the issue of the trustees have the job of carrying out the trusts after all the negotiating has finished.

Mr. White says that he does not know what all the fuss is about. I can tell him. The fuss is about the fact that the White Paper proposes that member participation will take place only by the nomination of individuals by recognised independent trade unions. These individuals need not be members of the scheme. The NAPP and a great number registers for obtaining most of their candidates and do little or nothing to be members of the

scheme, and further should not be limited to members of recognised trade unions.

Max Lander, Prudential House, Croydon, Croydon.

The function of trustees

From Mr. K. Hodgson.

Sir—The specious argument in the letter from Mr. Myles J. White (September 18) call for comment.

The function of pension scheme trustees and management committees is to manage the financial affairs of the fund in the sole interest of the beneficiaries who include many different categories from the pensioner to the youthful starter. Trade unions and union members per se can claim no greater expertise in this area than the rest of the community.

Negotiation of employee pension benefits is no part of pension fund committee duties. It is a function of existing trade union/employer relations.

Where trade union participation has been freely negotiated, as in the companies mentioned, I take leave to doubt whether the committees accept union members not employed by the company concerned, or whether union membership of pension fund committees is as much as 50 per cent. A statutory 50 per cent representation for trade union nominees on pension fund committees would inevitably mean their domination by trade unions.

Mr. White's assurances that the unions would never abuse their power over the affairs of the other 50m. inhabitants of this country, do not cut much ice after his contemptuous reference to "easy riders."

R. G. Hodgson, Oak End, The Green Village, Harlow, Essex.

Vehicle excise licence

From The Conservative Prospective Parliamentary Candidate, Paddington.

Sir—It is a matter for regret that the Chancellor of the Exchequer has decided not to abolish the vehicle excise licence. The proposal to abolish it made sense even though it might have meant replacing the licence with an additional tax on petrol, possibly as much as 20p per gallon. It is a fact, however, that the Government has control over the level of tax on petrol and could have made adjustments if it were so willing.

The ending of the licence would mean a saving of about £13m. of the taxpayers' money and a reduction of about 3,000 civil service jobs, but the implications for law enforcement would be considerable. There would be a saving to the hard-pressed police force of several hundred thousand man hours, 200,000 less cases in Magistrates Courts, and an incalculable saving in paperwork and bureaucracy. More importantly, the number of people engaged in the tresspassing process of trying to enforce the payment of licence fees would be reduced. It may even help to reduce the £13m. unpaid fines in England and Wales.

To dispense with the annual task of filling in useless forms would be an improvement in the quality of life for us all, and the reduction in bureaucracy as a whole might in the end have led to a lowering of the petrol tax. John D. Wheeler, Paddington Conservative Association, 92, Bishop's Bridge Road, W.2.

To-day's Events

Labour Party Conference debates proposal to nationalise major banks and insurance houses, Blackpool.

Commonwealth Finance Ministers begin two-day annual meeting, Hong Kong.

Dr. Henry Kissinger, U.S. Secretary of State, addresses U.N. Assembly.

Financial Times two-day conference, Business in the Pacific Basin, opens, Manila.

Sir Hugh Fraser expected to make statement to annual meeting of Scottish and Universal Investments on £42m. loan written-off after being wrongly classified as cash, Glasgow.

Police Federation meeting on pay dispute, Central Hall, Westminster.

London Printing Industries Association lunch to celebrate 500 years of London printing, at which Mr. Roy Jenkins MP is chief guest, Mansion House.

PARLIAMENTARY BUSINESS

House of Lords: Industrial Common Ownership Bill, third reading; Dock Work Regulation Bill, second reading; Race Relations Bill, committee GLC (Mores) Bill, third reading.

OFFICIAL STATISTICS

Energy trends, Bricks and cement production (August).

COMPANY RESULTS

Cadbury Schweppes (half-year), Cope Almond International (full-year), George Wimpey (half-year).

COMPANY MEETINGS

Cavenham, Connaught Rooms, W.C.11; Cook (Wm.) and Sons (Sheffield), Sheffield, 12.15; Crossfrans, Truel, 8, Crosby Square, E.C.1; 12 Electromenments, Great Eastern Hotel, E.C.3; Fitch Lovell, Connaught Rooms, W.C.1; 12 Harrold and Co., Leicester; 12 Marant's Pharmaceuticals, Haverstock, Essex, 11; Manly Harcourt, Abercorn, Rooms, E.C.12; Norton and Wright, Leeds, 12; Norton, Connaught Rooms, W.C.12.

Philippines

(fī-lī-pēnz)

Philippines (fī-lī-pēnz) The Philippine Republic consists of a chain of over 7,100 islands lying approximately 500 miles off the south-east coast of Asia. Agriculture accounts for two-thirds of export earnings and the country is rich in mineral resources. Strong trading links with many parts of the world, particularly the U.S. and Japan. Capital—Manila: currency—peso.

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COMPANY NEWS + COMMENT

Foseco looks to second half growth

FIRST HALF 1976 external sales of Foseco Minsep expanded from £68.8m. to £79.7m., and pre-tax profit advanced from £7.2m. to £7.9m., after an almost halved interest charge of £288,000.

HIGHLIGHTS

Trading conditions continue to be difficult. Although there are signs of improvement in levels of industrial production in some major markets, the pace of recovery is slower than anticipated, the directors state.

Profit for the year 1975 was £14.16m. on sales of £133.12m. The company manufactures and supplies specialised products and services principally to the metallurgical, building and construction industries, and for water treatment. It has operating companies in 23 countries and sells in over 100.

Earnings per 25p share for the half year increased from 7.7p to 8.5p. The interim dividend is lifted from 1.54p to 1.69p net. Last year's total was 3.24p net—earnings 14.7p.

Profits for the year are sharply higher at Sime Darby, helped by a turnaround out of the red at China Engineers and currency gains. Apart from an extensive look at the market Lex also covers Tootal where after six months profits are doubled on the back of a strong trend overseas and a 30 per cent. jump in U.K. exports. Legal and General has shown a good turnaround in short-term underwriting but at Foseco Minsep the shares continue to tumble with little change in profits of exchange gains and the drop in interest charges are eliminated. Reardon Smith Lines' first half would have looked rather poor had it not been for ship sales while Aberdeen Construction seems to be feeling the pinch from competition from south of the border. Elsewhere, there are two rights issues from Fairbairn Lawson and Matthew Brown both of which leave the dividends substantially higher. In the housebuilding sector Royco still appears to be troubled by high gearing and dwindling margins.

J. Neill halftime fall

ALTHOUGH TAXABLE profit of James Neill Holdings, the Sheffield-based hand tool and engineering group, fell from £1,492,000 to £1,029,000 in the six months to June 30, 1976, the results are "somewhat better than expected," says chairman Mr. J. Neill.

He had warned that profits had been badly hit in the early months by short-term working enforced by lack of orders, and he points out that in the second half of last year pre-tax profit was only £657,000.

The chairman states that the outlook for the second half indicates that both sales and profits will increase and the full year's profit should not fall short of the £2.15m. of 1975.

Turnover for the half year was £1,492,000, a drop of 10 per cent. on the previous year, but in fact, disappear if exchange gains, and the drop in interest charges, are stripped out. Nevertheless, the performance is reasonably reassuring when viewed against a background of a severe slump in the company's two main markets—the construction and steel industries. The company has continued with its successful growth formula of diversifying geographically and developing new and specialist products, thereby insulating itself from the worst effects of the world recession and with the world steel industry now beginning to recover, pre-tax profits of £16.17m. against £14.2m. last year look likely, with the outlook of increasingly rapid growth in 1977. On a prospective p/e ratio of 8.5, the company's former glamour rating is in need of some refurbishing.

Statement Page 34

Bemrose halftime upsurge

PRE-TAX PROFITS of Bemrose Corporation for the six months to June 26, 1976, have jumped from £368,000 to £1,126,000 on turnover increased from £12.54m. to £13.07m. The profit is struck after interest of £109,000 against £223,000.

Interim dividend is 1.348p net per 25p share against 1.0075p. Last year's dividends totalled £2.10p after pre-tax profits of £2.07m.

Tax took £586,000 (£451,000) in the first half.

The directors anticipate that second half results will be maintained on similar lines, which will again allow them to increase the dividend by the maximum permitted. In addition, they have decided to pay half the total anticipated for the year at the interim stage.

On turnover up by a fifth, Bemrose's trading profits rose by

Reardon midway downturn

A SHARPLY reduced pre-tax profit of £0.79m., against £1.51m., is reported by Reardon Smith Lines for the half year to September 30, 1976, after an increased surplus on disposal of vessels of £2.35m., compared with £1.53m.

Last June the chairman, Mr. C. R. Chatterton, indicated that the next 12 months would be a difficult period in the shipping industry, and this position is reflected in the estimated results for the half-year.

However, the bulk carrier division is beginning to show an improvement resulting from the relatively small increase in freight rates which took place during the period.

Taking into consideration the profit prospects for the bulk carrier and rig divisions and accepting the problems in the tanker section, the directors, as a measure of their optimism, have declared a moderate interim dividend of 0.8125p net 50p per unit against 1.625p. Last year's total was 2.7422p from a profit of £4.53m., which included £4.05 surplus on disposal of vessels.

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Royco turns in £436,000

PROFIT OF Royco Group for the first half of 1976 shows a slight improvement from £424,000 to £436,000. However, last year there was a release of a provision of £451,000 on disposal of quoted securities and this boosted the pre-tax figure to £875,000.

Earnings per 25p share are shown to be down from 2.21p to 1.04p and the interim dividend is held at 1p net. Last year's total payment was 2p from profits of £1.2m., after interest provision.

Chairman Mr. R. H. Strudwick says the group is trading at a satisfactory level but the recent increase in interest rates and cost inflation continue to affect profits. Further sites have been acquired which should improve margins during 1977 but in view of current market conditions he does not intend to make a specific forecast for the remainder of this year.

The group maintained steady progress during the first six months of the year. Construction and sales of properties have proceeded at satisfactory rates but margins remain at reduced levels.

Turnover for the half year was £1,492,000, a drop of 10 per cent. on the previous year, but in fact, disappear if exchange gains, and the drop in interest charges, are stripped out. Nevertheless, the performance is reasonably reassuring when viewed against a background of a severe slump in the company's two main markets—the construction and steel industries. The company has continued with its successful growth formula of diversifying geographically and developing new and specialist products, thereby insulating itself from the worst effects of the world recession and with the world steel industry now beginning to recover, pre-tax profits of £16.17m. against £14.2m. last year look likely, with the outlook of increasingly rapid growth in 1977. On a prospective p/e ratio of 8.5, the company's former glamour rating is in need of some refurbishing.

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DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Constrn. Int.	1.6	Nov. 19	1.5	3.1	3.75
A. Beckman	2.21	Nov. 26	2.82	4.71	4.28
Bemrose	1.33	Nov. 19	1.01	2.34	2.45
Burns Anderson	0.81	Dec. 8	0.9	1.71	1.73
Calcutta Electric	0.62(a)	Nov. 8	0.33	2.5(b)	3.6
Campani	1.93	Oct. 29	0.81	(c)	1.79
James Dickie	1.89	Jan. 7	1.54	1.59	1.59
Fairbairn Lawson	1.59	Nov. 10	1.39	1.50	1.59
Foseco Minsep	1.57	Jan. 4	1.7	—	4.33
Legal and General	2	Dec. 21	1	—	2.31
Ocean Wilsons	0.26	Dec. 31	0.24	—	0.6
Wm. Pickles	0.81	Oct. 29	1.83	—	2.74
Reardon Smith	0.81	Dec. 14	1	—	2
Royco	0.94	Jan. 8	0.55	1.74	1.55
Scottish Met. Property	1.73(a)	Dec. 1	1.25	2.6	2.0
Sime Darby	1.4	Nov. 5	1.4	1.4	1.4
Sizewell Investment	0.81	Jan. 7	0.72	—	2.23
Total	—	—	—	—	—

Dividends shown pence per share net except where otherwise stated.
 (a) Equivalent after allowing for scrip issue. (b) On capital increased by rights and/or acquisition issues. (c) With Treasury permission. 2.5p forecast on increased capital.

Royco turns in £436,000

PROFIT OF Royco Group for the first half of 1976 shows a slight improvement from £424,000 to £436,000. However, last year there was a release of a provision of £451,000 on disposal of quoted securities and this boosted the pre-tax figure to £875,000.

Earnings per 25p share are shown to be down from 2.21p to 1.04p and the interim dividend is held at 1p net. Last year's total payment was 2p from profits of £1.2m., after interest provision.

Chairman Mr. R. H. Strudwick says the group is trading at a satisfactory level but the recent increase in interest rates and cost inflation continue to affect profits. Further sites have been acquired which should improve margins during 1977 but in view of current market conditions he does not intend to make a specific forecast for the remainder of this year.

The group maintained steady progress during the first six months of the year. Construction and sales of properties have proceeded at satisfactory rates but margins remain at reduced levels.

Turnover for the half year was £1,492,000, a drop of 10 per cent. on the previous year, but in fact, disappear if exchange gains, and the drop in interest charges, are stripped out. Nevertheless, the performance is reasonably reassuring when viewed against a background of a severe slump in the company's two main markets—the construction and steel industries. The company has continued with its successful growth formula of diversifying geographically and developing new and specialist products, thereby insulating itself from the worst effects of the world recession and with the world steel industry now beginning to recover, pre-tax profits of £16.17m. against £14.2m. last year look likely, with the outlook of increasingly rapid growth in 1977. On a prospective p/e ratio of 8.5, the company's former glamour rating is in need of some refurbishing.

Statement Page 34

On turnover up by a fifth, Bemrose's trading profits rose by

The directors anticipate that second half results will be maintained on similar lines, which will again allow them to increase the dividend by the maximum permitted. In addition, they have decided to pay half the total anticipated for the year at the interim stage.

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ISSUE NEWS AND COMMENT

Matthew Brown £1.4m. rights

Brewers Matthew Brown is proposing to raise £1.4m. by way of a one-for-five rights issue at 50p each. The group is forecasting a profit increase for the 33 weeks to end October 2, 1976 of nearly £1m. to £2,370,000 pre-tax, and a dividend increase of 24.9 per cent.

Giving its reasons for the issue the company states that plans have been approved to spend approximately £1m. on expanding the Worthington Brewery, and to install a new beer plant at Blackburn. The new production when complete will produce about 10 million four times as much as the existing plant.

Interim figures to March 27, 1976 have already been announced showing pre-tax profits of £917,000 (£837,000). An interim dividend of 0.9125p has also been paid and the directors now intend to recommend a final of 2.5p per share making a total of 3.5p. Treasury permission has been granted for this increase.

Brokers are W. Greenwell and the issue is underwritten by Williams Glyn and Company.

Matthew Brown's acquisition of the Worthington Brewery was aimed at larger production and the group has proved so successful that further expansion of capacity is necessary to meet demand. The swing towards larger sales this summer, combined with the fact that Worthington was not expected to show its real potential until the second half, were instrumental in pushing second half profits up a third. The capital expenditure of £1m. should be completed by May, but cash flow is no problem and the balance sheet with only £1.1m. of borrowings against shareholders' funds of over £12m. a year ago, is hardly stretched.

Still, shareholders set a nice dividend hike taking the ex-rights yield at 60p to 91 per cent—a good point above the sector average.

Fairbairn raises £1.2m.

Fairbairn Lawson is to raise £1.2m. by way of a one-for-three rights issue at par, 25p. The directors are forecasting pre-tax profits for the year of £900,000 and intend to pay a gross dividend of 4p against 2.75p per share.

Interim figures show that pre-tax profits for the half year ended July 1, 1976, are up to £430,000 (£208,000) on a sales advance of £11m. to £12.1m.

All the subsidiaries contributed to the improved performance and the anticipated recovery of Flexi-Form is now well under way.

The directors are forecasting that pre-tax profits for the full year to December 30, 1976, will amount to £900,000 (£411,328). An interim dividend of 1p is declared against £812,500, and it is the directors' intention to pay a final of 2.6p per share. Treasury consent has been obtained.

The directors of Clabir Europe are taking up their rights entitlement of £1,172 shares, and Barclays Merchant Bank has underwritten the remainder.

Fairbairn Lawson's rights issue is obviously made with a dividend increase in mind, and the prospective ex-rights yield comes out at 12.3 per cent. at 35p against a historic figure of 7.4 per cent. prior to the announcement. There does not seem to be any real pressure on the group's balance sheet. Borrowings are down to £1m. currently against £2.1m. last January and, with profits forecast to rise by nearly 120 per cent. this year, cash flow should be running well ahead of last year's £1m. However, Fairbairn is undertaking expansion in both its engineering and packaging divisions which could amount to over £1m. during the next 12 months, with additional working capital requirements. There may be a fair amount of opportunism in the issue, but the dividend increase is significant and profits are on a strongly rising trend.

WELFARE/KEITH AND HENDERSON

Holders of 3,487,539 Keith and Henderson shares have accepted the increased offer by Welfare Insurance Company. With 2,145,000 shares held before the offer, Welfare beneficially owns 84.3 per cent. of Keith capital.

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Legal & General Interim Results

Estimated and unaudited group results for the six months ended 30th June 1976

	First 6 months 1976	First 6 months 1975	Year 1975
Group Premium Income	£m	£m	£m
Pensions and life business—new premiums	35.2	32.8	85.9
General insurance—written premiums	56.6	43.5	84.0
Profit & Loss Account			
Long-term profits after tax	3.4	3.2	6.6
Underwriting profit (loss) on general insurance	0.3	(1.9)*	(4.6)*
Investment and others income	6.2	4.1	9.6
Associated company profit	0.1	—	—
	10.0	5.4	11.6
Expenses and tax	4.1	0.7	1.8
Group operating profit after tax	5.9	4.7	9.8
Minorities	(0.1)	—	(0.1)
Group Operating Profit attributable to shareholders	5.8	4.7	9.7
Earnings Per Share based on group operating profit	4.0p	3.9p†	7.31p

*after transfer from claims equalisation reserve.
 †on capital prior to 1 for 5 rights issue.

An increased INTERIM DIVIDEND of 1.87p per share (1975 1.7p) is payable on 4 January 1977. The associated tax credit for U.K. residents is 1.007p per share.



Copies of the full Interim Report will be sent to shareholders and further copies are available from the Secretary, John Neill, at Temple Court, 11 Queen Victoria Street, London EC4N 4TP.

ISSUE NEWS AND
Matthew Brown
£1.4m. rights

Handwritten scribble at the top of the page.

Footall recovery continues Record £28.68m. from Sime Darby

INTERNAL SALES of Footall and the manufacturers' Footall for the six months to July 31, 1976, expanded from £119.53m. to £120.53m. and pre-tax profits rose from £1.0m. to £1.53m. Profit is struck after interest of £2.21m. against £2.77m. an increased interim dividend 1.5p (0.72p) net per 25p share declared. Capital increased the rights issue. The dividend rose £1.38m. last year, Footall paid dividends of £1.17p after pre-tax of £1.53m.

Aberdeen Constr. prospects

IN SEVERE of present difficulties in maintaining turnover the directors of Aberdeen Construction Group anticipate that profits for 1976 will show a marginal improvement on the £3.6m. achieved last year.

Competition for a reduced volume of work is affecting all divisions but has the greatest effect on the civil engineering and concrete and extraction sides. Turnover in the first half of 1976 fell by £2.08m. to £24.88m. Profit showed a slight increase, but after substantially reduced finance charges, the pre-tax balance was up from £1.52m. to £1.53m.

Earnings are shown at £2.4p (7.19p) per 25p share, and the interim dividend is lifted from 1.5p to 1.8p at a cost of £176,510 (£165,475). Total for 1976 was 3.75p paid from earnings of 14.98p.

that the civil engineering decline is accelerating in the second half. Nevertheless, Aberdeen, which has now wiped out all its borrowings, is probably better placed than most to take advantage of an upturn in civil engineering when it occurs. The shares at 10.7 and a p/e of less than 4, both of which compare favourably with the construction sector averages.

Ocean Wilsons dividend

Following agreement with the Treasury that the company is a practical trading company for all purposes of the Companies Act, the directors of Ocean Wilsons (Holdings) have declared an interim dividend of 2p (1p) net. The interim statement will be issued as soon as detailed figures are available.

Last year's final dividend was 1.30574p from profits of £1.97m.

Scottish Met. peak £0.92m.

AFTER BEING up from £0.34m. to £0.45m. at halfway, pre-tax profit of The Scottish Metropolitan Property Company expanded from £0.32m. to a record £0.92m. in the year ended August 15, 1976.

State earnings are 2.58p per share compared with an adjusted 2.62p, and the final dividend is 0.94p for a total of 1.74p (1.58p equivalent), the maximum allowed. Payments absorb £0.47m. (£0.43m.).

Subject to adverse changes in legislation and other unforeseen circumstances, the current year's dividend will be the maximum allowed.

Net revenue from properties increased to £2.43m. (£2.2m.) and other income was £201,089 (£253,373). Interest charges and management expenses amounted to £1.71m. (£1.63m.).

Exceptional items total £23,089 (£44,013), including discounts of £28,646 (£36,413) on the early redemption of debenture stocks. Extraordinary items, including expenses of the rights issue of £113,176, amount to £131,720 (£51,815).

The transfers from reserves relating to the group's development programme and to these extraordinary and exceptional items, less tax amount to £238,931 (£221,398) to reserves.

Available profit amounted to £700,082 (£711,530) after tax of £228,018, which compares with £279,050.

The balance carried to reserves, after providing for the dividend, is £228,119 (£282,783).

The book value of properties at August 15, 1976, amounts to £43,27m. (£42,58m.) and the group capital and reserves amounts to £22.3m. (£23.5m.).

From lower turnover of manufacturing, commodity trading, property, insurance broking and money broking. Holdings increased from £20.82m. to a record £28.68m. in the year bank balances, cash and deposits, ended June 30, 1976, after being stood at £20.57m., compared with up from £12.4m. to £13.28m. at £28.21m.

Year-end profit is struck after interest of £2.21m. to £2.48m. Excluding extraordinary debits of £0.41m. (£4.99m.), earnings per 10p share are 5.5p, compared with 1.9p, and the dividend total is 2.6p gross (2p) with a final of 1.75p.

A. Beckman progress: scrip issue

PROFIT OF converters and merchants of fabrics, A. Beckman, was higher at £1.65m. for the year to end-June, 1976, compared with £1.53m. subject to tax of £0.9m. (£0.77m.), after being up from £0.57m. to £0.78m. at halfway.

Yearly earnings per 10p share are 8.97p, compared with an adjusted 8.44p and the dividend is 4.718p (equivalent 4.284p) with

comment

Despite a textile recession Beckman continues to show steady profits growth. Concentrating on the young fashion market shields the group from pressures on consumer spending as a whole, while its commitment to merchandising, rather than manufacturing, gives the flexibility that steers the company round the bad patches in the clothing trade. Moreover, stocks are kept to a minimum, stock turn is roughly five times and half of the stocks are held in grey cloth thus avoiding the pitfalls of a rapid change in fashion trends. Cash is still over £1m. and the shares at 30p, where the p/e is only 5.2 and the yield 1.51 per cent, look behind events, given that further growth is on the cards again.

NO PROBE

The proposed merger between Newman Industries and Alfred Cough will not be referred to the Monopolies and Mergers Commission.

BENJAMIN PRIEST

Results reflect a commendable achievement under the most trying conditions

Mr. C. W. Jackson, Chairman, in his Statement accompanying the Report and Accounts for the year ended 26th March, 1976, reporting that the Group has come through the worst of the recession unimpaired, makes the following key points:

Results: Profit before taxation was £754,460 on turnover of £8,468,445. Net earnings per share were 11.6p compared with 12.3p for the previous year. The results were accomplished despite a sharp fall in real volume and continuous pressure on margins brought about by increased costs and rigorously controlled price ceilings.

Working Capital: Progress in cash flow management continued and the bank overdraft was reduced by £661,000 to only £77,000 at the year end.

Investment: Further planned additions to plant were made during the year. Over the past five years the Group has invested more than £1.5 million out of cash flow on new machinery and buildings. As a result we are very well equipped to meet the next upswing in trade.

Prospects: In the short-term, although it is difficult to make predictions, there are some signs of an improvement in demand. We will continue to build a base for growth, carefully developing the resources we have and seeking expansion, either internally or by acquisition, whenever it appears sensible to do so.

BENJAMIN PRIEST & SONS (HOLDINGS) LTD.
Manufacturers of fasteners and pressings. Designers and manufacturers of mechanical handling and storage equipment.

RECENT ISSUES

EQUITIES									
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FIXED INTEREST STOCKS									
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552	553	554	555	556	557	558	559	560	561
562	563	564	565	566	567	568	569	570	571
572	573	574	575	576	577	578	579	580	581
582	583	584	585	586	587	588	589	590	591
592	593	594	595	596	597	598	599	600	601
602	603	604	605	606	607	608	609	610	611
612	613	614	615	616	617	618	619	620	621
622	623	624	625	626	627	628	629	630	631
632	633	634	635	636	637	638	639	640	641
642	643	644	645	646	647	648	649	650	651
652	653	654	655	656	657	658	659	660	661
662	663	664	665	666	667	668	669	670	671
672	673	674	675	676	677	678	679	680	681
682	683	684	685	686	687	688	689	690	691
692	693	694	695	696	697	698	699	700	701
702	703	704	705	706	707	708	709	710	711
712	713	714	715	716	717	718	719	720	721
722	723	724	725	726	727	728	729	730	731
732	733	734	735	736	737	738	739	740	741
742	743	744	745	746	747	748	749	750	751
752	753	754	755	756	757	758	759	760	761
762	763	764	765	766	767	768	769	770	771
772	773	774	775	776	777	778	779	780	781
782	783	784	785	786	787	788	789	790	791
792	793	794	795	796	797	798	799	800	801
802	803	804	805	806	807	808	809	810	811
812	813	814	815	816	817	818	819	820	821
822	823	824	825	826	827	828	829	830	831
832	833	834	835	836	837	838	839	840	841
842	843	844	845	846	847	848	849	850	851
852	853	854	855	856	857	858	859	860	861
862	863	864	865	866	867	868	869	870	871
872	873	874	875	876	877	878	879	880	881
882	883	884	885	886	887	888	889	890	891
892	893	894	895	896	897	898	899	900	901
902	903	904	905	906	907	908	909	910	911
912	913	914	915	916	917	918	919	920	921
922	923	924	925	926	927	928	929	930	931
932	933	934	935	936	937	938	939	940	941
942	943	944	945	946	947	948	949	950	951
952	953	954	955	956	957	958	959	960	961
962	963	964	965	966	967	968	969	970	971
972	973	974	975	976	977	978	979	980	981
982	983	984	985	986	987	988	989	990	991
992	993	994	995	996	997	998	999	1000	1001

NOTICE OF REDEMPTION

to the Holders of

The Japan Development Bank

Fifteen Year 5% Guaranteed External Loan Bonds Due October 15, 1979

NOTICE IS HEREBY GIVEN that Seven Hundred Forty Five Thousand Dollars (\$745,000) principal amount of The Japan Development Bank Fifteen Year 5% Guaranteed External Loan Bonds due October 15, 1979 and bearing the following serial numbers have been drawn from the account of the Sinking Fund for redemption on October 15, 1976.

COUPON BONDS

24	1062	1727	2731	4605	5897	6899	8875	10358	11387	12305	13787	15337	16883	17880	19225
25	1072	1737	2741	4617	5909	6911	8884	10370	11399	12317	13800	15350	16896	17893	19238
26	1082	1748	2659	4629	5918	6918	8904	10380	11409	12327	13812	15362	16908	17905	19250
27	1092	1758	2669	4639	5929	6929	8914	10390	11419	12337	13822	15372	16918	17915	19260
28	1102	1768	2679	4649	5939	6939	8924	10400	11429	12347	13832	15382	16928	17925	19270
29	1112	1778	2689	4659	5949	6949	8934	10410	11439	12357	13842	15392	16938	17935	19280
30	1122	1788	2699	4669	5959	6959	8944	10420	11449	12367	13852	15402	16948	17945	19290
31	1132	1798	2709	4679	5969	6969	8954	10430	11459	12377	13862	15412	16958	17955	19300
32	1142	1808	2719	4689	5979	6979	8964	10440	11469	12387	13872	15422	16968	17965	19310
33	1152	1818	2729	4699	5989	6989	8974	10450	11479	12397	13882	15432	16978	17975	19320
34	1162	1828	2739	4709	5999	6999	8984	10460	11489	12407	13892	15442	16988	17985	19330
35	1172	1838	2749	4719	6009	7009	8994	10470	11499	12417	13902	15452	16998	17995	19340
36	1182	1848	2759	4729	6019	7019	9004	10480	11509	12427	13912	15462	17008	18005	19350
37	1192	1858	2769	4739	6029	7029	9014	10490	11519	12437	13922	15472	17018	18015	19360
38	1202	1868	2779	4749	6039	7039	9024	10500	11529	12447	13932	15482	17028	18025	19370
39	1212	1878	2789	4759	6049	7049	9034	10510	11539	12457	13942	15492	17038	18035	19380
40	1222	1888	2799	4769	6059	7059	9044	10520	11549	12467	13952	15502	17048	18045	19390
41	1232	1898	2809	4779	6069	7069	9054	10530	11559	12477	13962	15512	17058	18055	19400
42	1242	1908	2819	4789	6079	7079	9064	10540	11569	12487	13972	15522	17068	18065	19410
43	1252	1918	2829	4799	6089	7089	9074	10550	11579	12497	13982	15532	17078	18075	19420
44	1262	1928	2839	4809	6099	7099	9084	10560	11589	12507	13992	15542	17088	18085	19430
45	1272	1938	2849	4819	6109	7109	9094	10570	11599	12517	14002	15552	17098	18095	19440
46	1282	1948	2859	4829	6119	7119	9104	10580	11609	12527	14012	15562	17108	18105	19450
47	1292	1958	2869	4839	6129	7129	9114	10590	11619	12537	14022	15572	17118	18115	19460
48	1302	1968	2879	4849	6139	7139	9124	10600	11629	12547	14032	15582	17128	18125	19470
49	1312	1978	2889	4859	6149	7149	9134	10610	11639	12557	14042	15592	17138	18135	19480
50	1322	1988	2899	4869	6159	7159	9144	10620	11649	12567	14052	15602	17148	18145	19490
51	1332	1998	2909	4879	6169	7169	9154	10630	11659	12577	14062	15612	17158	18155	19500
52	1342	2008	2919	4889	6179	7179	9164	10640	11669	12587	14072	15622	17168	18165	19510
53	1352	2018	2929	4899	6189	7189	9174	10650	11679	12597	14082	15632	17178	18175	19520
54	1362	2028	2939	4909	6199	7199	9184	10660	11689	12607	14092	15642	17188	18185	19530
55	1372	2038	2949	4919	6209	7209	9194	10670	11699	12617	14102	15652	17198	18195	19540
56	1382	2048	2959	4929	6219	7219	9204	10680	11709	12627	14112	15662	17208	18205	19550
57	1392	2058	2969	4939	6229	7229	9214	10690	11719	12637	14122	15672	17218	18215	19560
58	1402	2068	2979	4949	6239	7239	9224	10700	11729	12647	14132	15682	17228	18225	19570
59	1412	2078	2989	4959	6249	7249	9234	10710	11739	12657	14142	15692	17238	18235	19580
60	1422	2088	2999	4969	6259	7259	9244	10720	11749	12667	14152	15702	17248	18245	19590
61	1432	2098	3009	4979	6269	7269	9254	10730	11759	12677	14162	15712	17258	18255	19600
62	1442	2108	3019	4989	6279	7279	9264	10740	11769	12687	14172	15722	17268	18265	19610
63	1452	2118	3029	4999	6289	7289	9274	10750	11779	12697	14182	15732	17278	18275	19620
64	1462	2128	3039	5009	6299	7299	9284	10760	11789	12707	14192	15742	17288	18285	19630
65	1472	2138	3049	5019	6309	7309	9294	10770	11799	12717	14202	15752	17298	18295	19640
66	1482	2148	3059	5029	6319	7319	9304	10780	11809	12727	14212	15762	17308	18305	19650
67	1492	2158	3069	5039	6329	7329	9314	10790	11819	12737	14222	15772	17318	18315	19660
68	1502	2168	3079	5049	6339	7339	9324	10800	11829	12747	14232	15782	17328	18325	19670
69	1512	2178	3089	5059	6349	7349	9334	10810	11839	12757	14242	15792	17338	18335	19680
70	1522	2188	3099	5069	6359	7359	9344	10820	11849	12767	14252	15802	17348	18345	19690
71	1532	2198	3109	5079	6369	7369	9354	10830	11859	12777	14262	15812	17358	18355	19700
72	1542	2208	3119	5089	6379	7379	9364	10840	11869	12787	14272	15822	17368	18365	19710
73	1552	2218	3129	5099	6389	7389	9374	10850	11879	12797	14282	15832	17378	18375	19720
74	1562	2228	3139	5109	6399	7399	9384	10860	11889	12807	14292	15842	17388	18385	19730
75	1572	2238	3149	5119	6409	7409	9394	10870	11899	12817	14302	15852	17398	18395	19740
76	1582	2248	3159	5129	6419	7419	9404	10880	11909	12827	14312	15862	17408	18405	19750
77	1592	2258	3169	5139	6429	7429	9414	10890	11919	12837	14322	15872	17418	18415	19760
78	1602	2268	3179	5149	6439	7439	9424	10900	11929	12847	14332	15882	17428	18425	19770
79	1612	2278	3189	5159	6449	7449	9434	10910	11939	12857	14342	15892	17438	18435	19780
80	1622	2288	3199	5169	6459	7459	9444	10920	11949	12867	14352	15902	17448	18445	19790
81	1632	2298	3209	5179	6469	7469	9454	10930	11959	12877	14362	15912	17458	18455	19800
82	1642	2308	3219	5189	6479	7479	9464	10940	11969	12887	14372	15922	17468	18465	19810
83	1652	2318	3229	5199	6489	7489	9474	10950	11979	12897	14382	15932	17478	18475	19820
84	1662	2328	3239	5209	6499	7499	9484	10960	11989	12907	14392	15942	17488	18485	19830
85	1672	2338	3249	5219	6509	7509	9494	10970	11999	12917	14402	15952	17498	18495	19840
86	1682	2348	3259	5229	6519	7519	9504	10980	12009	12927	14412	15962	17508	18505	19850
87	1692	2358	3269	5239	6529	7529	9514	10990	12019	12937	14422	15972	17518	18515	19860
88	1702	2368	3279	5249	6539	7539	9524	11000	12029	12947	14432	15982	17528	18525	19870
89	1712	2378	3289	5259	6549	7549	9534	11010	12039	12957	14442	15992	17538	18535	19880
90	1722	2388	3299	5269	6559	7559	9544	11020	12049	12967	14452	16002	17548	18545	19890
91	1732	2398	3309	5279	6569	7569	9554	11030	12059	12977	14462	16012	17558	18555	19900
92	1742	2408	3319	5289	6579	7579	9564	11040	12069	12987	14472	16022	17568	18565	19910
93	1752	2418	3329	5299	6589	7589	9574	11050	12079	12997	14482	16032	17578	18575	19920
94	1762	2428	3339	5309	6599	7599	9584	11060	12089	13007	14492	16042	17588	18585	19930
95	1772	2438	3349	5319	6609	7609	9594	11070	12099	13017	14502	16052	17598	18595	19940
96	1782	2448	3359	5329	6619	7619	9604	11080	12109	13027	14512	16062	17608	18605	19950
97	1792	2458	3369	5339	6629	7629	9614	11090	12119	13037	14522	16072	17618	18615	19960
98	1802	2468	3379	5349	6639	7639	9624	11100	12129	13047	14532	16082	17628	18625	19970
99	1812	2478	3389	5359	6649	7649	9634	11110	12139	13057	14542	16092	17638	18635	19980
100	1822	2488	3399	5369	6659	7659	9644	11120	12149	13067	14552	16102	17648	18645	19990

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Interim recovery at Imtal

By Our Own Correspondent
PARIS, Sept. 29.

THE RECOVERY in world non-ferrous metals markets and the improving global economic situation have led to a considerable improvement in the first-half figures from the Rothschild-controlled metal mining and metals group.

For the parent holding company Societe Imtal, consolidated earnings over the first six months reached Frs.63m. (28m.), more than triple the Frs.19.4m. achieved for the whole of 1975. Portfolio income over the period came to Frs.17.75m.

The most striking turnaround was in the accounts of Societe Metallurgique Le Nickel-SLN, in which Imtal and the State-backed oil group Elf-Aquitaine each hold a 50 per cent. interest, and which has virtually exclusive sway over nickel mining operations in the Pacific Island of New Caledonia.

Although sales contracted in the first half of Frs.546m. from Frs.552m. in the corresponding six months of 1975—representing deliveries of 23,000 metric tons of metal compared with 22,000 tons a year earlier—SLN managed a slight profit of Frs.5.5m. after a tax provision of Frs.37m. and depreciation of Frs.109m. 1975 saw a net loss of Frs.63m.

The reasons for the changed fortunes of the company reflect improved world selling prices for nickel, as well as the slide of the franc against the dollar, the currency in which the nickel price is denominated. Much the same, though on a more modest scale, is true of the other main mining subsidiary, the lead and zinc Penarroya company. A rise in sales to Frs.572m. from Frs.433m. allowed operating losses to be slashed to Frs.2.7m. in the first half, against one of Frs.12.7m. for the whole of 1975. The steadiness of prices, and demand (especially for lead) should produce a further substantial improvement in the second half, Imtal notes.

Cie Mokta, another mining and metals offshoot, reports first-half earnings of Frs.3.7m. against full 1975 income of Frs.13.3m. The higher showing of the company's uranium interest was reflected in a jump in portfolio revenues to Frs.12.5m. from Frs.9.1m. in the first half of last year.

Improvement at Giessens

By MICHAEL VAN OS

HOLLAND'S third-largest shipbuilding company, the quoted Van Der Giessen-De Noord, published details of its half-year performance to-day.

It said in its statement that no order for new ships had been received recently. However, Giessens was hopeful of signing orders for a few ships in the near future, which would inevitably be loss-making again. "Just how big these losses will be is difficult to predict at the moment, and this will in part depend on the conclusions reached by the Policy Commission for Shipbuilding and its recommendations for measures to be taken by the Government."

It said that in the 1975 annual report, loss-making orders have been accepted, enabling the group to keep its Krimpen yard in operation until mid-1977. The expected losses as a result have been partly charged to the 1975 results.

The statement adds that no order for new ships had been received recently. However, Giessens was hopeful of signing orders for a few ships in the near future, which would inevitably be loss-making again. "Just how big these losses will be is difficult to predict at the moment, and this will in part depend on the conclusions reached by the Policy Commission for Shipbuilding and its recommendations for measures to be taken by the Government."

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Alsthom-CEM deal ties up nuclear reshuffle

By RUPERT CORNWELL

PARIS, Sept. 29.

THE FINAL piece in the complicated reorganisation of the French nuclear industry is about to fall into place with absorption of the turbo-alternator division of Cie Electromecanique (CEM) by the new heavy engineering conglomerate Alsthom-Atlantique.

News of the deal, which has long been desired by the French Government and CGE, the electrical group which will have a large stake in Alsthom-Atlantique, has filtered out here on the eve of the respective shareholders meeting of Alsthom and Chantiers de l'Atlantique that will finalise their merger.

None of the companies directly involved were prepared to give any details to-day. However there can be no doubt that the new group will take over the turbo-alternators branch of CEM, to give it a monopoly in the manufacture of this key element for the nuclear power stations that the EDF utility has, or is about to, order.

Such a step has been eagerly promoted by the Industry Ministry here, not only because it is doubted that either of the EDF electricity authority will be large enough to allow two separate and competing groups to flourish, but to fulfil a long-standing goal—that of full French control over all

major aspects of the country's civil nuclear programme.

In so doing, the authorities will create a second force in the industry to balance, to a certain extent at least, the Empain Schneider group, which through its subsidiary Creusot-Loire and indirectly through Framatome now has unchallenged sway over the power stations themselves, as licensee of the Westinghouse PWR technique.

The move also amounts to a substantial wedding present from the Government to Alsthom-Atlantique, after the years of financial difficulties encountered by Alsthom itself. The link with Chantiers de l'Atlantique was strongly opposed in many quarters, but the addition of CEM's turbo-alternator division may well soften the criticisms.

Beyond CGE and Alsthom, however, the deal seems set to cause much uneasiness in the reception. CEM itself already is tied to Creusot-Loire by contracting agreements, and is understood to have imposed stringent conditions before it accepted the proposals put forward by the Government.

To-morrow should throw better light on whether its President, M. Roland Koch, has succeeded in retaining some form of separation between the two families of turbo-alternators, for which it has long been well-known.

The chairman, Herr Carl Hahn, stated that conditions in the tyre market were still extremely competitive, and that the profits situation remained unsatisfactory.

Herr Hahn added that the many uncertainties of the market made it impossible to predict results for 1976, but he emphasised that the decisive factor for the company's business during the remainder of the year would once again be the demand for winter tyres.

Conti-Gummi, a market leader in the tyre business, has planned its hopes on winter tyre sales in previous years, only to be disappointed in 1975.

appointed by relatively mild weather in West Germany.

The main problem for the company remains competition from countries with lower wage costs, Herr Hahn said. Increases in wage rates and in raw material and other basic costs could only be partially recovered through price increases because competition in the replacement tyre business was so keen.

Nonetheless, Conti-Gummi had benefited to some extent from the increased production of new cars and of commercial vehicles. It had also been able to increase its short-term turnover by 11.3 per cent., following a disappointing performance in 1975.

Arco Pipe Line is a wholly-owned subsidiary of Atlantic Richfield which is unconditionally guaranteeing the notes.

Proceeds of the issues will be used to pay part of Arco Pipe Line's share of construction costs of the Transalaska pipeline system, and to retire certain short-term notes which they became due.

Mr. Robert O. Anderson, chairman of Atlantic Richfield, said: "Pending such applications, the

covered by earnings per share of 23 cents compared with 13.1 cents in 1974-75.

Based on to-day's market price of 72 cents the rights have a theoretical value of 10 cents. The issue is presumably aimed at increasing the company's gearing to enable it to raise its borrowing limits.

Mercantile Credits' major shareholders, the Hong Kong and Shanghai Banking Corp. and the National Commercial Life Association, which has a 25 per cent. interest, have indicated they will apply for their entitlements. Mercantile last month reported a 33 per cent. profit increase and lifted its dividend from 5 cents a share to 7 cents. The directors have indicated that they expect the 7 cents rate to be held on capital increased by the rights issue.

Hanimex scrip HANIMEX CORPORATION, the international photographic equipment distributor and manufacturer, plans a one-for-five scrip, and a split in the shares from 50 cents to 25 cents, units following a 63 per cent. jump in earnings from \$1.47m. to \$2.39m., just short of the record \$2.44m. earned in 1973-1974. Dividend is held at 10 cents a share and is covered by earnings of 33.3 cents. The company expects to pay 6 cents a share after the scrip issue and share split. The improvement came mainly from overseas activities and reflects a major rationalisation programme over the past three years in design and development of new products. The directors said the benefits accrued particularly to the European and North American subsidiaries.

THE FINANCE company Mer- cantile Credits plans to raise \$4.2m. with a one-for-five scrip issue at 60 cents a share.

First half boost from Solvay

PARIS, Sept. 29.

Profit from industrial activities of the Belgian chemical group of Solvay de die, rose to B.Frs.1,229m. in the first half of 1976 from B.Frs.588m. in the same period last year and from B.Frs.1,111m. in the first half of 1974. AP-DJ reports from Brussels.

Solvay announced it would pay an interim dividend of B.Frs.60 per share for its A and B shares and of B.Frs.24 for each C share. These payments will be made in January, 1977, and are unchanged from payments made in 1974 and 1973.

Major units of the Solvay Group benefited during the first six months from the general upswing of economic activities. Sales rose about 17 per cent. in the first half of 1976 to B.Frs.4,744m. from B.Frs.4,019m. a year ago and from B.Frs.3,875m. in 1974. In 1975, profit from industrial activities was B.Frs.700m. on sales of B.Frs.3,026m.

Zurich rates

THE ZURICH stock exchange from to-morrow, is to fix conversion rates on a daily basis for quoted bonds of non-Swiss franc foreign loan issues. In recent years Swiss franc equivalents for the 33 bond issues in question were fixed quarterly writes John Wick in Zurich. Due to the frequent fluctuations in exchange rates, however, the Swiss franc value of the bonds—most of which are denominated in dollars—has often differed considerably from the latest conversion rate. This has meant compensating alterations in the bond's quotation.

Jaeger back to profits JAEGER, the French based auto instrumentation manufacturing group, has reported net earnings of Frs.17m. for the first half of this year compared with a loss of Frs.13m. in the 1975 first half, according to AP-DJ in Paris.

Although the company expects to achieve profits of some Frs.22m. for the full year against a loss of Frs.9.6m. in 1975, it does not expect to be in a position to pay a dividend. The last net dividend paid by the company was Frs.5.10 in 1972. JAO Adolphe, the managing director of Jaeger, is the largest single shareholder of Jaeger with 41 per cent.

proceeds will be invested in marketable securities.

Am. Express dividend AMERICAN EXPRESS has increased its regular quarterly dividend from 20 cents to 25 cents a common share.

The 25 cent dividend, payable on November 10 to shareholders on record October 8, brings American Express dividend rate to \$1 on an annual basis. Mr. Howard L. Clark, chairman and chief executive officer, said: "The continued strong growth of travel and financial services and reversal of the two-year decline in insurance earnings warrant a increase in the dividend at this time."

Mr. Clark also stated that insurance services would be the principal contributor to the expected increase in earnings for the third quarter of 1976. "Travellers cheque sales, card membership and card usage continued their strong growth throughout the world," he said. "Net income from travel and financial services will show only a modest increase in the

third quarter, however, compared with the corresponding quarter of 1975.

"This out-of-pattern quarterly result for travel and financial services was caused by losses of approximately \$4.5m. related to a combination of foreign currency translation losses arising from the Mexican peso devaluation and management's decision, consistent with its practice in comparable currency crises in the past to protect its card, travellers cheque and travel clients from immediate exposures resulting from the devaluation," he added.

Sohio-BP Capital issue SOHIO/BP Trans Alaska Pipeline Capital Inc. announced to-day the initial closing of the purchase by institutional lenders of \$500m. aggregate principal amount of its 91 per cent. Notes Due January 1, 1993 and January 1, 1998.

Robert Stanley Incorporated acted as agent for Sohio/BP Capital in this transaction reports BP.

In connection with this financing, requisite consents for modifications of certain covenants applicable to Sohio have been obtained. These include an increase from \$3.5m. to \$5m. in the level of permitted indebtedness to develop and bring to market Sohio's North Slope crude oil production.

This announcement appears as a matter of record only.

Based on to-day's market price of 72 cents the rights have a theoretical value of 10 cents. The issue is presumably aimed at increasing the company's gearing to enable it to raise its borrowing limits.

Mercantile Credits' major shareholders, the Hong Kong and Shanghai Banking Corp. and the National Commercial Life Association, which has a 25 per cent. interest, have indicated they will apply for their entitlements. Mercantile last month reported a 33 per cent. profit increase and lifted its dividend from 5 cents a share to 7 cents. The directors have indicated that they expect the 7 cents rate to be held on capital increased by the rights issue.

Hanimex scrip HANIMEX CORPORATION, the international photographic equipment distributor and manufacturer, plans a one-for-five scrip, and a split in the shares from 50 cents to 25 cents, units following a 63 per cent. jump in earnings from \$1.47m. to \$2.39m., just short of the record \$2.44m. earned in 1973-1974. Dividend is held at 10 cents a share and is covered by earnings of 33.3 cents. The company expects to pay 6 cents a share after the scrip issue and share split. The improvement came mainly from overseas activities and reflects a major rationalisation programme over the past three years in design and development of new products. The directors said the benefits accrued particularly to the European and North American subsidiaries.

THE FINANCE company Mer- cantile Credits plans to raise \$4.2m. with a one-for-five scrip issue at 60 cents a share.

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EUROMARKETS

Britain's market rating

By MARY CAMPBELL

THE \$500m. Euromarket loan for Britain's Electricity Council is the first ever unequivocal example of a British Government-guaranteed borrower raising money in the syndicated lending market on less than prime terms.

True, the terms of the Electricity Council's loan are not any different from the two other major Euromarket financings by British nationalised industries earlier this year; but market conditions have changed in the past few months and the 11 per cent. rate for five years which the Electricity Council is paying compares with 11 per cent. for seven years on a \$1bn. loan currently being arranged for Venezuela.

The plight of sterling ever before this week, and Britain's need for further foreign currency financing at a time when international banks were looking for borrowers has prompted considerable interest in lending to Britain during the last quarter of this year. The whole situation will clearly now have to be reassessed to take account of the \$2.3bn. drawing from the International Monetary Fund announced yesterday. But meanwhile Britain's creditworthiness

has been subjected to more rigorous analysis than ever before. The latest issue of the Amex Bank Review carries one such analysis. Writing in mid-September Amex Bank reckoned that Britain's external financing requirement would be \$1.5bn. in the second half of this year, compared with \$2.6bn. in the first half and \$1.5bn. in the whole of last year.

The \$1.5bn. figure is the sum of the projected current account deficit of \$750m. (the OECD's latest current account forecast), repayment of the Group of Ten's standby credit and a further \$500m. run down in the sterling balances.

Amex expected this \$1.5bn. to be financed by drawings of \$1.35bn. on the IMF (about \$2.3bn. at the rate of exchange when Amex calculated the figure, compared with \$2.3bn. which has now been requested plus a further Euro-market borrowing of some \$500m.

"A continued fall in sterling," Amex says, "will once again raise fears of additional sales of western sterling holdings. Germany and 5.5 per cent. for estimate for the second half of the U.S.

increasing scale of operation." profits for the half-year ending June 1976. Group pre-tax profits were up by 55 per cent. to Singapore \$2.50, compared with last year's first half.

No projections have yet been made on the bank's full year results but UOB has stated that margins generally, aided by a significantly different from that of U.K. source merchandise and also further loss elimination.

INCHEAPE BERHAD, the South East Asia operation of since the end of June profits Britain's Incheape Corporation have continued at the same level has reported greatly improved as in the first half.

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Profits still unsatisfactory reports Conti Gummi

By ADRIAN DICKS

CONTINENTAL Gummi-Werke, West Germany's largest tyre manufacturer, appears still to have failed to break out of the pattern of steady losses that has bedevilled its performance for the past five years.

Reporting to shareholders to-day on business during the first six months of this year, Conti-Gummi had some bright news in the form of a 6.1 per cent. increase in total turnover. Tyre business was up by 5.3 per cent., and technical products, including parts for the heavy and agricultural vehicles sectors, increased by 7.1 per cent.

Yet this positive development was not translated for Conti-Gummi into the return to profits

for which it has long been well-known. The chairman, Herr Carl Hahn, stated that conditions in the tyre market were still extremely competitive, and that the profits situation remained unsatisfactory.

Herr Hahn added that the many uncertainties of the market made it impossible to predict results for 1976, but he emphasised that the decisive factor for the company's business during the remainder of the year would once again be the demand for winter tyres.

Conti-Gummi, a market leader in the tyre business, has planned its hopes on winter tyre sales in previous years, only to be disappointed in 1975.

appointed by relatively mild weather in West Germany.

The main problem for the company remains competition from countries with lower wage costs, Herr Hahn said. Increases in wage rates and in raw material and other basic costs could only be partially recovered through price increases because competition in the replacement tyre business was so keen.

Nonetheless, Conti-Gummi had benefited to some extent from the increased production of new cars and of commercial vehicles. It had also been able to increase its short-term turnover by 11.3 per cent., following a disappointing performance in 1975.

Arco Pipe Line is a wholly-owned subsidiary of Atlantic Richfield which is unconditionally guaranteeing the notes.

Proceeds of the issues will be used to pay part of Arco Pipe Line's share of construction costs of the Transalaska pipeline system, and to retire certain short-term notes which they became due.

Mr. Robert O. Anderson, chairman of Atlantic Richfield, said: "Pending such applications, the

covered by earnings per share of 23 cents compared with 13.1 cents in 1974-75.

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THE JOBS COLUMN

Paid parents · Projects chief · Personnel · Sales

BY MICHAEL DIXON

ONE OF the newer types of paid employment, which seem to have arisen as the pound has fallen, is that of the professional foster parent. It is also one of the rarer types, in the sense that plenty of such posts are apparently available with the social services departments of various local authorities which, of course, do not all offer the same conditions of service.

For illustration, however, the Reading department is currently advertising a salary scale of £1,878-£2,196, although I am told that in practice the payment made is normally the top of the scale. The bulk of the sum is subject to tax and to deductions for superannuation and so on. But £715 of it is exempt from tax as a board and lodging allowance for a single foster child, and on top of the £2,196 a year, non-taxable supplements of up to £150 are available for holidays, clothing and suchlike.

Conditions advertised in Dorset differ in detail: basic salary of up to £1,820 plus non-taxable allowances based on the age of the child. Even so, the gross outgoings from tax- and rate-payers' funds for a single child professionally fostered, seem likely to average much the same, at about £2,350 a year.

When I asked about this growing form of employment yesterday, the Reading department said that the children concerned were those with "special difficulties," which often means that they are too disruptive an influence on other children to be integrated into a residential home. "Although they tend to be less difficult in more normal family surroundings," I was told, "from the authority's point of view, the money is no more than a fair payment for the difficulties and the work involved."

Fair to the authority, perhaps, but how about the foster parent? From nearly 10 years' experience of foster parenthood before anybody decided—or probably needed—to pay a salary for it, I would say that the work, difficulties and risks involved are such that a family cannot fairly be expected to assess them in terms of money. Trying to bring up a foster child with problems, which tends to have pervasive and unforeseeable effects on relationships among the natural members of the

family, is something that it is impossible to be professional about.

Surely the old arrangement was preferable, whereby an allowance was made that was supposed to cover out-of-pocket expenses, but the only influence on whether or not people decided to take on the challenge was whether or not they wanted to, or thought they should.

Ironically, the probable reason why salaries are now being offered by local authorities is a drying-up of the supply of people volunteering themselves as foster parents as a matter of their individual social conscience. And the probable reason for the drying-up is the effect of inflation-cum-taxation on middle-income families, which in turn is arguably at least partly caused by the recent large increases of public expenditure in expanding governmental services such as social work departments.

One measure of the worth, as advanced by local authorities, is that the paid foster scheme represents a saving on the cost of keeping the child in a residential home. Dorset evidently

estimates the saving at an average of roughly £800 a head.

On this basis, the per capita cost of the residential care is rather more than £60 a week—rather more than the average weekly cost of sending a youngster to Eton which, of course, provides a high standard of education into the bargain.

Now to some jobs of more usual kind.

Industrial societies

A COUPLE of years ago, this column discussed the appointment of a director general for the Anglo-German Foundation for the Study of Industrial Society, which had then just been formed with a guaranteed income of DM3m, annually for its first five years.

Now Peter Macgregor, who was chosen for the top job and is based mainly in London, is seeking a projects director to help with the foundation's allotted task of promoting study and understanding of the workings of industrial societies in general, though with par-

ticular reference to West Germany and the U.K.

To this end, the foundation has four main kinds of activity: research; study awards such as fellowships; conferences, seminars and the like; and exchange visits largely between the two countries. It has only a small staff of its own, so it serves mainly as a middle-man, working out from its own or other people's ideas such projects as are suitable and useful for study and so on, and then usually arranging for the projects to be put into force by other agencies.

Naturally, not all the projects which are suggested to an organisation like this are viable, or even sensible. Moreover, not all the agencies which would like to carry out the projects, are suitable to do so. And it is for the work of sorting out what should be done and who can best do it, that the new director is mainly wanted.

Since the foundation's guaranteed income has only a limited term, I gather that the newcomer will find that whether or not a project has good prospects of self-financing, will be an increasingly important criterion of choice.

Jack Drake, the Tyzack and Partners consultant who is dealing with the appointment (10 Hallam Street, London W1N 6DJ—telephone 01-580 2924) says that the desired recruit could be as young as 28 or as old as 60.

The main requirements are fluent German and English, a background which demonstrates an appreciation of the problems of industrial societies and a capability of doing work of a similar kind, plus the sort of personality suited to dealing with people who are eminent in their field. Given these attributes, it does not matter whether candidates' experience is mainly in business, government, academia or trades unions.

Perhaps unfortunately, the pay is not in deutschemarks, but is likely to be about £10,000. The base is London with, of course, frequent travel.

About 450 Glaswegians

BILL FRASER, managing director of the motor-dealing concern of Appleyard Glasgow, wants a personnel manager to cover

three depots in that city and one about 15 miles away, employing in all about 450 people.

As well as four sites, there are two different businesses—one concerned with the sales, service and so on of Daimler, Jaguar, Rover and Triumph vehicles, the other with Morris and Rolls-Royce—which Mr. Fraser says require differing approaches to business.

Even so, he is establishing a central management for the whole and, although the newcomer will be involved in all aspects of personnel work including industrial relations, an especial task will be management development in the sense of working out what skills are needed where in the new structure and generating them in the people who already work for the company.

The recruit will be one of a team of half a dozen reporting to the MD. There will be a relationship with, though not a responsibility to, the personnel chief of the Appleyard group. Candidates must be demonstrably skilful personnel professionals, with the preferred experience naturally including management development and

work in service industry. Age 30-45. Salary is not quoted, but I would estimate at least £8,500. Car provided.

Applications to Mr. Fraser at 65, Springhill Avenue, Maxwell Park, Glasgow—Tel. 041-423 3011. "And if you also happened to come across somebody capable of being my sales director," he says, "I'd like to know about it."

FINALLY this week Tom Boardman, managing director of Macdonald Educational Publishing in London, is seeking a sales and marketing director. Part of the British Printing Corporation, the company has increased its turnover from £1m to £2.5m in the rather difficult years since 1972, and is now expanding its sales force from about 30 to 50.

Candidates must have earned senior rank by successful involvement in publishing and profitable marketing activities. Age not quoted. Not is salary, but my guess would be £8,000 or more. Car. Applications to Mr. Boardman at Holywell House, Worship Street, London EC2A 2EN—Tel. 01-247-5499.

GENERAL APPOINTMENTS

SENIOR BANKING EXECUTIVE
Middle East

A long established European merchant bank intends to appoint a senior executive to be responsible for the development of its business throughout the Arabian peninsula. He will be based in Abu Dhabi, where he will have a small staff and be supported by specialist departments of the bank in Europe and the USA.

Candidates should have a background in international banking, or possibly in the treasury function of a large international company; they will have reached the level of head of department or manager of a distinct operation.

They should have had previous experience of working in the Middle East and must have a deep interest in and understanding for Arab culture. They must have the personal qualities which will enable them to establish an eminent position in the financial community of the region.

The preferred age is late 30s or early 40s and the successful candidate may envisage a long term career with the Bank. The salary, which is tax free, will reflect the importance and level of this appointment. Other benefits will include generous housing, car and education allowances.

Please write in the first instance with brief particulars to:
C. J. Sackur, Spencer Stuart and Associates,
Brook House, 113 Park Lane, London W1Y 4HJ,
who is advising on this appointment.

Spencer Stuart and Associates Ltd.
Management Consultants

Group Secretary

Aurora Holdings Limited, a progressive group of engineering companies with a number of subsidiaries at home and abroad, wishes to appoint a Group Secretary to be based in Sheffield. The purpose of the appointment is to enable the present Group Secretary, who is also a Group Director, to be allocated other duties demanded by the growth of the Group.

The successful applicant will be directly responsible to the Chairman and Managing Director for the full range of secretarial, insurance, pension, legal and administrative functions associated with a substantial public company.

Desirably, applicants will be graduates, aged about 35, with a professional legal and/or secretarial qualification. Previous secretarial experience in a well administrated entity is essential.

In the final selection, the Board is seeking a thorough, reliable and articulate person who is a self starter with ample administrative ability and who can accept increasing responsibility. Terms and conditions will be made attractive.

Please write in guaranteed strict confidence, enclosing a detailed curriculum vitae, to The Chairman, Aurora Holdings Limited, Aurora House, 61 Manchester Road, Sheffield S10 5DY.

AURORA HOLDINGS LIMITED

Production Director

To be responsible for the efficient operation of a modern rope and twine manufacturing plant employing over 300. He or she will be expected to improve plant utilisation, manpower productivity and materials management.

Age is 35/45 and whilst a degree in chemical engineering or production would be advantageous, knowledge of polypropylene extrusion is highly desirable. The job involves the definition of methods and equipment to achieve the most economic production consistent with volume and quality requirements, the establishment and maintenance of measured standards and responsibility for the preparation of capital budgets.

The person appointed will have at least ten years' industrial experience which must include practical experience of work and method study and the planning of machine utilisation, selection and specification.

Promotion prospects within the Group are excellent for a person who combines chemical or engineering experience with management skills. Salary will be negotiable and normal fringe benefits accompany the appointment.

The production plant is situated in a pleasant rural district about ten miles from Belfast.

Please write in confidence to:-

Mr. C. S. Orr,
McCleery L'Amie Group Limited,
Purveys Lane,
Newtownbreda,
BELFAST BT8 4DD.

McCleery L'Amie Group



Stewart Wrightson (Marine) Limited

who specialise in all forms of Marine insurance broking on a World Wide basis invite applications for the position of a Senior Executive to take a leading part in the further expansion of their Off Shore Department. The role demands an in-depth knowledge of the oil industry in general with particular experience in the production and servicing of Off Shore and Land Rig Insurances.

The appointed person can expect to receive the high level of award which the position merits.

All applications will be treated in the strictest confidence and should be addressed to Antony Deiderfeld, Chairman of Stewart Wrightson (Marine) Ltd., 1, Camomile Street, London, EC3A 7HJ. Telephone 01-623 7311.

Bonser

COMPANY SECRETARY

Unique opportunity to join a dedicated management team. Secretarial qualification is needed but more important to the Company and the candidate's future potential are legal experience and/or accountancy qualification.

Essential are integrity, expertise, current knowledge of labour, tax and other legislation. The appointment should appeal particularly to the experienced 35-45 year old professional man or woman who would enter a demanding and rewarding career in industrial management. Salary range £7,000-£9,000: a car provided.

Candidates should apply in confidence to:

Carl Duerr, Chief Executive
Bonser Engineering Limited
GLT/ROD/NOTTINGHAM NG16 2G

Chief Executive
up to £20,000

An exceptional opportunity has arisen for an experienced chief executive to direct W. S. Cowell Ltd., a major subsidiary of Gramplan Holdings Ltd. Cowells, an established printing and publishing business based in East Anglia, has recently been restructured and is concentrating on the development of specific market sectors.

The new Chief Executive will be responsible to the holding company. He or she will give positive leadership to the management team in achieving a high level of business performance and will develop and implement an aggressive strategic plan for the company.

This position requires someone of high calibre and a proven track record whose business experience may not be limited to the printing industry. Preferred age range is 35 to 50.

(PA Personnel Services. Ref: GM345735/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Manager-Financial Analysis

N. Bucks to £9,500 + Car

This appointment is with the divisional headquarters of a leading international company which has an exceptional record of sustained growth. He/she will manage a small high-calibre team responsible for reviewing and co-ordinating the plans and performance of the division's operating locations prior to presentation at corporate level. He/she will be expected to significantly influence functional and operational decisions through personal interaction with senior management. Candidates should be qualified accountants or business graduates aged 30-35 with experience at a senior level of managing a similar function in a major group. REF: 672/ST. Apply to: R. A. Phillips ACIS, FCII, 2-4 King Street, St. James's, London, SW1Y 6QL. Tel: 01-930 9982.

Phillips & Carpenter

Selection Consultants

SENIOR AND JUNIOR EUROBOND DEALERS

PARIS

wanted by International Bank (Euro-bond market maker). French and English required. Ample liberty of imaginative action. Substantial fringe benefits including indexation of salary. Address your C.V. to Box no. 451, Financial Times, 10, Cannon Street, EC4P 4BY.

STOCKBROKING

PARTNER'S ASSISTANT

The well-established London Office of a leading overseas leading house is seeking a young man aged around 25 to train under a partner and assist him. The position is a career opportunity which could involve the successful applicant in overseas travel. A sound education, background, an essential and previous experience in or knowledge of the securities industry would be an advantage. A commensurate salary in the range of £4,000 per annum is envisaged. Replies which will be treated in confidence should be addressed to Messrs. Butler, Rouse & Amderson, Chartered Accountants, Clement House, 99 Aldwych, London, W.C.2.

INTERNATIONAL BUSINESSMAN

with worldwide interests, now being in London, requires a semi-retired person with a sound business background, to administer and develop the company's international business. The position is a career opportunity which could involve the successful applicant in overseas travel. A sound education, background, an essential and previous experience in or knowledge of the securities industry would be an advantage. A commensurate salary in the range of £4,000 per annum is envisaged. Replies which will be treated in confidence should be addressed to Messrs. Butler, Rouse & Amderson, Chartered Accountants, Clement House, 99 Aldwych, London, W.C.2.

VANDERFELT & CO.

require SENIOR ARBITRAGE DEALERS

and ARBITRAGE SETTLEMENT CLERKS. Excellent salary and all usual fringe benefits offered. All replies in strictest confidence. For interview please telephone James Hare 01-426 3456.

VANDERFELT & CO.

184-200, Bishopsgate, London, EC2M 4XX

Jonathan Wren The personnel consultancy dealing exclusively with the banking profession.

CHANGE OF ADDRESS

We are delighted to announce that as a result of sustained expansion of our banking appointments business we are moving on 4th October 1976 to new, larger premises.

170 BISHOPSGATE, LONDON EC2M 4LX

(Opposite Liverpool St. Station; entrance New Street)

TELEPHONE: 01-623 1266

Send for our register of current banking vacancies

Jonathan Wren & Co Ltd 15 Fish Street Hill London EC3R 6BP. 01-623 3051

Finance Executive

International Hotel Group

The experienced Financial Executive applying for this position will be a qualified accountant or have a relevant degree; he or she will join a Management Team currently developing and operating hotels on a world-wide basis.

We are seeking a commercially experienced candidate, enthusiastic, ambitious and competent, whose responsibilities will include the complete financial function together with the continuing development of unit reporting systems and the analysis of operational results.

A knowledge of European languages would be an advantage.

Commencing salary will be at least £9,500 per annum and benefits include a contributory pension and life cover scheme.

There will be some travel by air whilst conducting the Group's business.

Applications will be treated as confidential and replies should be addressed to: Box Number A5699, Financial Times, 10, Cannon Street, London, EC4P 4BY.

Leading firm of stockbrokers wishing to expand their

GILT-EDGED DEPARTMENT

are looking for an

Experienced Executive

with institutional business

This is a challenging and rewarding opportunity for an ambitious, hardworking person to join an existing professional team.

An attractive profit sharing scheme will be available in addition to a good salary and the position offers outstanding career prospects.

Replies, which will be treated in strict confidence, should be sent to Box Number A5706, Financial Times, 10 Cannon Street, EC4P 4BY.

Udisco Brokers Limited

EXPERIENCED LOCAL AUTHORITY BROKERS

This expanding Company of Domestic and International money brokers are seeking experienced LOCAL AUTHORITY BROKERS to join a lively and expanding group.

Salary commensurate with experience, bonus commensurate with success.

Please apply in confidence to:
The Managing Director, Udisco Brokers Limited,
78-80 Cornhill, London EC3V 3NH.

Investment Assistant

A leading Canadian insurance company wishes to recruit a young person to join a small team of fund managers in its London investment office. Training will cover all aspects of investment, including stock market operations, company financial analysis and overseas investment.

Applicants should be between the ages of 20 and 25 with a degree or professional qualification, and experience of investment work would be an advantage. Salary will depend on age and experience.

Write to:-

The Investment Manager
MANUFACTURERS LIFE INSURANCE COMPANY
Lawrence House, 3/6 Trump St., London EC2V 8JD

STOCKBROKING

Institutional Salesman Australia

The London Branch of an Australian Broking House is expanding its international operations and is seeking the services of a top institutional adviser.

Previous experience in the Securities industry is essential and knowledge of Australian Equities an obvious advantage. The successful applicant will also have a good working knowledge of the local European Investment scene.

Commencing salary of about

£10,000 per annum

may be taken as a guide. Other attractive fringe benefits will be offered and the salary will be regularly reviewed. Replies should be directed to Messrs. Bull and Bull, Solicitors, 1, Stone Buildings, Lincoln's Inn, London, WC2A 3ST and will be treated as strictly confidential.

INVESTMENT MANAGER

Internationally famous company engaged in the management of domestic and international funds for institutional and private clients would like to hear from top class investment personnel.

Applicants with specialist knowledge, regardless of their current function, are encouraged to apply. Remuneration and benefit should refer to one.

Write, including full curriculum vitae, to:

The Personnel Officer, Box No. A5707,
The Financial Times, 10, Cannon Street, EC4P 4BY.

JUNIOR BANKING EXECUTIVE

London office of an international merchant bank is looking for a Junior Executive to do credit analysis and company investigations on behalf of overseas clients. Applicants should have between 1 and 3 years post graduate experience. Some knowledge of accountancy would be desirable. Please send C.V. to: Box A5702, Financial Times, 10, Cannon Street, EC4P 4BY.

ACCOUNTANCY APPOINTMENTS



Mervyn Hughes Group

59 St. Mary Ave, London, EC3A 8AR
Management Recruitment Consultants

01-283 0037
(24 hours)



International Corporate Audit

c. £15,000

Based Europe

A major international audit group requires two top level managers to control audit teams. The Managers (male or female) will report to the Head Office in Zurich but could be based in any major European city. To be eligible candidates must be qualified accountants (ACA, CA or CPA). Ideally aged 35-45, with in-depth audit experience in a major international firm of chartered accountants or large industrial company, including computerised audits. A degree in engineering would be highly advantageous. A fluent knowledge of English and German is essential. Salary is negotiable plus expenses and benefits. Applications in confidence to D. G. Mugeridge, Ref. 5743A.

SELINCOURT LIMITED

with Head Office in London requires a

FINANCIAL CONTROLLER

£10,000 +

for its group of garment and textile manufacturing and merchanting companies in the United Kingdom and abroad

MUST BE QUALIFIED ACCOUNTANT

APPLICATIONS ARE INVITED FROM AGE GROUP 30-50

This is a demanding position requiring experience and authority, carrying a salary which will not be less than £10,000 p.a. There will be other benefits and, in due course, Board potentiality.

Please write giving full particulars to The Secretary, Selincourt Limited, 74, Camden Street, London, NW1 0EL and mark envelope "EHC PRIVATE".

All applications will be treated in strictest confidence.

FINANCE CONTROLLER INTERNATIONAL COMPANY

London

c. £7,500

A finance controller is required by an international company at its head office in London. He or she will be part of a small management team and be responsible for the control of the Group's management and financial accounting functions. Applicants should be aged at least 30 and have previous experience in a similar position.

Applications with curriculum vitae should be sent to Box A5703, Financial Times, 10, Cannon Street, EC4P 4BY.



Mervyn Hughes Group

59 St. Mary Ave, London, EC3A 8AR
Management Recruitment Consultants

01-283 0037
(24 hours)



Treasury Management

International Company

£5,000 plus

Due to a promotion, an opportunity has arisen for a young Executive to join the London Treasury Department of a major international company. The work will initially be concerned with international cash and foreign exchange, control and management. There will also be opportunities to participate in special studies and projects offering considerable scope for initiative and original thought.

The Executive appointed will be expected to be able to work without close supervision; make an early contribution to financial policy; and be ready to accept a significant increase in responsibility in a comparatively short term. Success in this appointment could lead to interesting career prospects.

The appointment calls for a working knowledge of the money markets and a general understanding of corporate finance. Ideally, candidates should be graduates in the age range 24-28 who have experience in Banking or the Treasury Department of a large company. The vacancy could well be of interest to M.B.A.

Applications in strict confidence under ref. 5744 to D. G. Mugeridge.

APPOINTMENTS WANTED

OVERSEAS POST

Sought by middle management executive age 33, married one child, background in IT, finance and insurance - sound administrator. Seized by opportunities and inclination to plan, manage, control, coordinate, or possibly commercial, house administration. Keen, no short term contract acceptable, but desire a long term career in exchange for hard work, integrity and absolute loyalty. Available now. Write Box A5704, Financial Times, 10, Cannon Street, EC4P 4BY.

DEPUTY GROUP ACCOUNTANT - COMMODITIES

Due to expansion our clients are seeking a fully qualified accountant to work on subsidiary accounts helped by a manager and five assistants. Candidates in their 30s with a knowledge of computers will be offered excellent prospects with £5,500. Call Caroline Hackney on 01-283 3881, Dukes Careers.

GENERAL

APPOINTMENTS

are continued today
on the
following page

CENTRALE RABOBANK, in UTRECHT

(The Netherlands) - one of the 40 largest banks in the world - wishes to engage persons aged between 30 and 35, which are thoroughly experienced in international banking, for its

INTERNATIONAL PLANNING DIVISION.

Preferably the candidates should have a university degree in economics.

For information please dial 30-382596.

Applicants are invited to write to Centrale Rabobank, Personnel Department, Postbox 8088, Utrecht, The Netherlands.

Centrale Rabobank

S. Yorkshire

c. £9,000 + car

FINANCIAL CONTROLLER

The Company: A profitable and capably managed advance technology steels and engineering company committed to expanding its already significant investment in modern plant.

The Job: Initially to control the overall financial and management accounting functions with a staff of some 100. Ultimately to succeed the present Financial Director.

The Candidate: Aged 35-42 with substantial controllership experience in a complex long production cycle industry. An essential is a sufficiently long enough period in control of a large department to have become aware of the importance of good employee relations.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to:-

The Executive Selection Division - MF664.

Coopers & Lybrand Associates Ltd.,

Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

Finance and Accounting Opportunities Expanding Overseas Operations

Bookers Agricultural and Technical Services Ltd. manage sugar estates and provide management and technical services for various large scale agricultural projects around the world. Additionally, a thriving international consultancy business has been established and is currently expanding in response to demand. There are immediate vacancies at home and overseas.

UK Based

There are opportunities to join the Head Office accounting team at starting salaries within the ranges quoted. A willingness to undertake short term assignments overseas is essential.

FINANCIAL ANALYSTS

£5350 - £7550

to join consultancy project teams and undertake investment appraisal for expansion studies and the development of large scale agricultural enterprises overseas. Candidates must have a recognised accountancy qualification and a minimum of two years' relevant overseas experience. Ref. 117.

MANAGEMENT ACCOUNTANTS

£5350 - £7550

to provide full accounting services for project directors. Candidates must be qualified accountants with at least two years' post qualification experience, preferably in an international, industrial or commercial environment. Ref. 118.

COMPANY CASHIER

£3450 - £6250 depending on experience

Fully experienced to take charge of internal services for our new office. Previous experience in a commercial and/or banking context is essential. Ref. 119.



BOOKER
McCONNELL

Overseas Secondments

Staff are required for the Company's projects in the territories indicated. The remuneration ranges are net of personal income tax.

FINANCIAL ACCOUNTANTS

£6000 - £10,000

net of tax

to supervise and train a local accounting team in the preparation of monthly and annual accounts. A willingness to transfer to another overseas assignment on completion of an eighteen month tour is highly desirable. Immediate vacancies exist in Kenya and Iran. Ref. 120.

PROJECT ACCOUNTANT

£5000 - £6850

net of tax

to provide accounting services to a major expansion of the Mumias Sugar Company, Kenya. Previous overseas experience is desirable. Ref. 121.

We are also looking for an

AGRICULTURAL ECONOMIST

£8000 - £11,000

net of tax

to join a team of agronomists and irrigation engineers in a major land use development study in Northern Nigeria. Previous experience of agricultural marketing in the context of developing Africa is essential. Ref. 122.

Terms of service are attractive for these permanent and pensionable appointments and in the case of overseas positions include free housing; education allowances; family passages, regular home leave, etc.

Please send brief details of qualifications and experience to: E. B. Williams, Bookers Agricultural and Technical Services Ltd., Bucklersbury House, 83 Cannon Street, London EC4N 8EJ.

OVERSEAS DEVELOPMENT

KNOW-HOW: vital to developing countries

Financial Adviser

Tuvalu

To advise Financial Secretary and Accountant, act when officers are on leave, perform as trouble-shooter when specific problems arise, train and advise full Treasury staff of Accountants, Assistant Accountants and clerks. Applicants, aged 35-40, should possess an Accountancy qualification. Experience in finance in dependent territory desirable. Appointment 2 years.

Salary to be arranged plus variable tax free overseas allowance in range £800 to £2,525 p.a.

The post is wholly financed by the British Government under Britain's programme of aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include holiday leave, free family passages, children's education allowances and holiday visits, free accommodation and medical attention. All applicants should be citizens of the United Kingdom.

For full details and application form please apply and giving details of age, qualifications and experience to:-



Appointments Officer,
MINISTRY OF OVERSEAS DEVELOPMENT,
Room 301, Eland House,
Stag Place, London SW1E 5DH.

HELPING NATIONS HELP THEMSELVES

Financial Director (Designate)

up to £7,500 + car

Tricentral Ltd, an international company engaged in oil, gas and mineral exploration and development and with a supporting Commercial Division, Manchester Ltd. This subsidiary company is concerned with the wholesale distribution of central heating, plumbing and sanitary ware equipment through its branches in Bedford, Preston, Cheltenham and Nottingham. The appointment will be located at Filwick in Bedfordshire.

The Financial Director (Designate) will report to the Managing Director and be responsible for all aspects of finance and EDP, with special emphasis on improving accounts and ensuring that financial resources are properly planned and controlled.

The successful candidate will be a qualified accountant, who can justify appointment to the Board within a period of 12 months. Age is not a critical factor although it is envisaged that the appointee will offer senior accounting experience, including the implementation of systems, in a sizeable company. A commencing salary of up to £7,500 p.a. and a non-contributory pension and medical scheme reflect the importance of the appointment. A contribution would be made towards removal expenses if the successful candidate had to move home to take up the appointment.

Candidates, male or female, should write for a personal history form, quoting reference MCS 1916 to Ashley S. Phoenix, Tricentral Waterhouse Associates, Southwick Towers, 12 London Bridge Street, London SE1 1LJ.

GENERAL APPOINTMENTS

INTERNATIONAL BANKING OPPORTUNITIES

1-ASSISTANT TO THE MANAGER, COMMERCIAL LENDING DEPARTMENT

The candidate will be involved in international lending (direct financing) and loan syndication and administration. Candidates should be in their twenties with an overall practical experience gained in banking, especially on the commercial lending side and should be fluent in German (mother tongue would be an advantage) and English. Knowledge of French would be valuable.

2-SECRETARY TO THE MANAGING DIRECTOR

The successful candidate should be acquainted with all kinds of secretarial works. An excellent knowledge of German, French and English, including shorthand, is essential. German mother tongue would be an asset.

For both appointments, Luxembourg based, attractive salaries are offered. Interviews in London can be arranged. Interested parties are requested to submit their resumes indicating salary requirements to:

THE MANAGING DIRECTOR
CREDIT SUISSE (LUXEMBOURG) S.A.
18, AVENUE MARIE-THERESE
LUXEMBOURG

Thinking of changing your job?
(But not quite sure?)

For one reason or another many of our clients think they should make a change, but are not quite sure. Not sure of themselves, of their potential, of their "marketability" or of their ultimate goal. We are a group of highly qualified specialists who guide senior people towards a new direction in their careers, towards optimum personal and financial rewards. If you're a senior executive or professional person and you're not quite sure, one of our professional Career Advisers will be happy to discuss the matter with you, confidentially and without cost or obligation. Advice telephone consultation. CHUSID help you to help yourself to a new way of life!

FREDERICK
CHUSID
& COMPANY LTD.

Consultants in Executive Evaluation and Career Advancement.
London: 35 Finsbury Street, W.1. Phone 01-487 2298
Paris: 6 Rue de Berri 75008. Phone 225-31.20
We are not an Employment Agency.

AMERICAN FLETCHER

NATIONAL BANK-INDIANAPOLIS

Wishes to appoint a senior dealer for their Luxembourg branch. Applicants in the age range 20-30 are required to have a minimum of two years trading experience and a knowledge of French and German would be helpful. Salary and benefits will be commensurate with the responsibilities of the position and relocation expenses will be reimbursed by the bank. Interviews will be held in London during mid October.

Please write in confidence with full career details to:

AMERICAN FLETCHER BANK
c/o Michael D. Vanner, Vice President
Allied Bank International
1 Cornhill, London EC3V 3NB

Trial pumping to reverse
Ouse starts to-morrow

BY STUART ALEXANDER

TRIAL PUMPING to reverse the flow of the river Ouse is expected to begin to-morrow at seven locks between Easingwold and Ouseford.

The scheme will enable the Anglia Water Authority to extract up to 100m. gallons a day for reservoir storage. The present flow of the river would not allow maximum extraction.

Mr. Denis Howell, Drought Minister, to-morrow visits the Northumbria Water Authority, where he will inspect the Kielder water scheme, which connects the Tyne, Wear, Derwent and Tees through a series of aqueducts and tunnels.

He will be shown the first stages of the £100m. project, which is expected to be completed by early 1980.

The work has involved important research into hard-rock tunnelling, which is expected to be used in other areas of the country if there is any progress towards setting up a national water grid.

The Rodeo plan (reversal of

direction of the Ely. Ouse) will be worked initially for about two months. About £100,000 has been spent on pumping equipment, with a further £100,000 allowed for installation, maintenance and running costs.

Recent rain has rapidly increased the flow of the Ouse, but the water authority fears that

A FURTHER 50,000 consumers are to be returned to 24-hour domestic water supplies because of the recent heavy rainfall.

The flow could as quickly drop if there was another dry spell reducing the amount which can be removed.

In North Devon, standpipes will continue to operate until December 1, when normal supplies are expected to be renewed. But if there is a dry winter or if the reservoirs have less than half supplies, they will be introduced again on February 1.

The rain, however, has helped

in Exeter, Torbay and Plymouth, where there has been a 40 per cent. saving. Introduction of standpipes already deferred until October 15, has been put back further, says the South West Water Authority.

The Severn-Trent authority has issued a warning that savings have dropped to only just over 19 per cent. because users have been led into believing that the emergency was over because of the recent downpours.

The authority says that the shortage is getting worse as the rain has been falling "in the wrong places" and that stocks are at 65 days' supply.

It is this drops to 50 days, the authority will consider applying for the introduction of rationing. Meanwhile it is mounting a campaign to persuade the public that savings are still necessary.

Mr. Howell said yesterday, during his tour of the north-west that he was dreaming of a white Christmas as "know this winter would be one way of saturating the earth and making sure the water goes through."

British Rail
is asked
to delay cuts

BRITISH RAIL is to be asked by

Greater London Council to defer weekend cuts planned to begin next month on Southern Region. Withdrawals originally proposed by British Rail have been reduced after talks with the unions, but even under the modified proposals, 13 London stations would be closed on Sundays, services on three lines halted and 10 services reduced.

The GLC transport committee has decided not to offer subsidies towards restoring the cuts, but will ask for detailed information about costs.

Mrs. Enid Wistrich, vice-chairman of the committee, said yesterday, "We are not convinced that the financial savings achieved by cutting out trains justify the huge social cost to Londoners of closing stations and stranding services."

"Axe weekend trains is the sort of action which persuades families to buy cars and, having bought them, to use them during weekdays as well. This adds to road congestion, and makes public transport less attractive."

Mr. John Ryman, Labour MP for Blyth, who is accused of making a false declaration about election expenses, told Newcastle Crown Court yesterday the chief prosecution witness was a "liar".

Mr. Ryman said he was not a friend of Mr. McCall's (a reporter on a local radio station) Mr. McCall was recruited into the Milne camp in order to discredit him and cause a by-election.

Citing examples of what he alleged was Mr. McCall's "long catalogue of lies", he said Mr. McCall had given evidence that he (Ryman) had offered to arrange finance for him of £5,000 in 1975.

But, Mr. Ryman said, Mr. McCall had never said a word about this either to police or in the magistrates court.

Mr. Ryman asked the jury why Mr. McCall had bothered to photograph two letters and a cheque he had sent to him. What was the point unless the purpose was to exert pressure and embarrass him by publicising the letters?

"If you are in difficulties and you cannot pay your bills, properly, obviously it is a matter of address and publicity, particularly for an MP in a constituency which has got a background of party differences with Mr. Milne and where an explosive political situation exists."

Proposal
for law
to define
nationality

A CITIZENSHIP law, based on the concept of allegiance to a law rather than to a sovereign or a homeland, was advocated yesterday in a report prepared for the Sunningdale Trust.

Mrs. Ann Dammatt, author of the report, considers citizenship should be defined clearly in terms of shared rights and duties derived from the law and enforceable in the courts.

Nationality should rest on a basis which should not involve discrimination by race or sex; obligations already incurred as a result of empire should be honoured; and consultation with colonies should take place on their future citizenship.

Such a law should be discussed for what it would be a major constitutional measure of importance to everyone in Britain.

The report (£1.50) is published by the Sunningdale Trust.

'Tartan Army'
trial QC
warns jury

THE JURY in the "Tartan Army" trial was warned yesterday to let its feelings on Scottish independence affect its judgment.

The warning came from Mr. John McCuskey, QC, Solicitor General, who is leading the prosecution in the Edinburgh High Court trial of four Scots.

They are accused of plotting to further the aims of a so-called Tartan Army by criminal means, including theft, and causing explosions.

Two of the accused are also alleged to have taken the Wallace Sword, an historic Scottish relic, from its shrine in Stirling in 1972.

Mr. McCuskey told the jury, "We are concerned with a group of men who progressed... from what you might call a kind of symbolise theft to sophisticated and dangerous explosions."

Earlier, one of the accused, Robert Anderson, aged 33, spoke of how his life had been "shattered" by his arrest.

Anderson—who is accused with Gerard McGuigan, aged 40, Donald Currie, aged 34, and Hamish Henderson, aged 36—said that he believed a key prosecution witness named David Sharkey was responsible for an explosion at Wamphray, Dumfriesshire, in 1972.

COMPANY NOTICES

Bank Hapoalim B.M.

For the information of holders:— Bank Hapoalim B.M., Tel-Aviv, announce that they have reorganised their capital structure by changing shares to stock. Old certificates, together with vouchers for additional Coupons (Talons) for new stock should be listed on forms available from, and returned to, the United Kingdom Issuing and Paying Agents:

CHARTERHOUSE JAPHET LIMITED
1 Paternoster Row, St. Pauls, London EC4M 7DH

CONTRACTS AND TENDERS

REPUBLIC OF NIGER
SOCIETE NIGERIEENNE
D'ELECTRICITE
(ELECTRICITY BOARD OF NIGER)

Transmission Lines and Switchyards associated with the Anou-Araren project

International invitation for prequalification

Société Nigérienne d'Electricité (NIGEELEC) intends to launch, in the near future, a call for tender for the construction of high and medium tension, transmission lines and switchyards, associated with the thermal power plant of ANOU-ARAREN, near AGADES. Design and control of work are entrusted to ELECTRICITE DE FRANCE. DIRECTION DES AFFAIRES EXTERIEURES ET DE LA COOPERATION (EDF-DAFECO).

The equipment will comprise:

- One 132 kV, 180 km long, transmission line, linking the ANOU-ARAREN site to the AKOKAN Centre;
- One 132 kV switchyard at ANOU-ARAREN;
- One 132/20 kV switchyard at AKOKAN;
- One 20 kV, 45 km long, transmission line, linking the ANOU-ARAREN site to AGADES town.

All civil engineering works, supply of equipment and transportation, erection and start-up should be included in a single offer. To this offer may be added a financial proposal either from the tenderers, or from their country's financial institutions.

The interested companies must apply both to:

SOCIETE NIGERIEENNE D'ELECTRICITE
B.P. 202
NIAMEY—Republic of NIGER

and to:
E.D.F.-DAFECO
68, rue du Faubourg Saint-Honoré
75008—PARIS (France)

before October 15th, 1976, giving their references of similar installations supplied, on a turn-key basis, particularly in tropical countries.

In the second half of October 1976, the tender file will be sent to the selected companies and their tender should be received before February 1st, 1977.

BANCO DE FOMENTO NACIONAL

5% LOAN 1981/78
18 September 1976

Bonds of U.C. 1,000 and U.C. 250 whose numbers and with the date "18 September 1976" at the following offices:
Banque Lambert-Luxembourg S.A.
Credit Industriel d'Alsace et de Lorraine
Kreditbank S.A. Luxembourg
Algemein Bank Nederland N.V.
Banque Bruxelles Lambert S.A.
Kreditbank N.V.
Société Générale de Banque S.A.
Copenhagen
Creditanstalt Handelsbank A.S.
Dresdner Bank A.G.
Frankfurt-Main
Deutsche Bank A.G.
London

Henry Schröder Wagg & Co. Limited
Fleming Bank Limited
Fleming Bank Limited
Hill Samuel & Co. Limited
Deutsche Bank A.G.
London
Mitsui Bussan Kaisha Ltd.
Banca Commerciale Italiana S.p.A.
Mediocredito Centrale
Banca di Napoli
Banca di Roma
Banca di Sicilia
Banca di Torino
Banca di Venezia
Banca di Trieste
Banca di Udine
Banca di Verona
Banca di Vicenza
Banca di Padova
Banca di Bergamo
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Banca di Cremona
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Banca di Modena
Banca di Pavia
Banca di Sondrio
Banca di Varese
Banca di Lecco
Banca di Lodi
Banca di Piacenza
Banca di Reggio Emilia
Banca di Ferrara
Banca di Parma
Banca di Ravenna
Banca di Forlì
Banca di Cesena
Banca di Imola
Banca di Faenza
Banca di Gubbio
Banca di Terni
Banca di Rieti
Banca di Frosinone
Banca di Cassino
Banca di Roma

will be recalled that bonds whose numbers and with the date "18 September 1976" at the following offices:
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Kreditbank S.A. Luxembourg
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Banque Bruxelles Lambert S.A.
Kreditbank N.V.
Société Générale de Banque S.A.
Copenhagen
Creditanstalt Handelsbank A.S.
Dresdner Bank A.G.
Frankfurt-Main
Deutsche Bank A.G.
London

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ANGLO AMERICAN CORPORATION

NOTICE TO HOLDERS OF ORDINARY SHARES WARRANTS TO BEARER

With reference to the notice of declaration, dividend and interest, the following information is published for the convenience of shareholders:

The dividend of 5 cents per share will be paid on or after 5th November 1976 in respect of all shares warranting coupon No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

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READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Cam Gears
a subsidiary of TRW Inc. Cleveland, Ohio, U.S.A.
Resolven, W. Glam. Phone 0620 74 000

WALL STREET + OVERSEAS MARKETS

Down another 3.7, but above worst

By our Wall Street Correspondent

FOREIGN EXCHANGES

Pound recovers

STOCKS extended yesterday's sharp decline in moderate trading on Wall Street after a brief mid-session rally.

The Dow Jones Industrial Average after a weak start, advanced 3.33 at noon, but then dropped to show a 6-point loss before recovering slightly to close at 901.19—off 2.74. This was the two-day loss of nearly 20 points.

The NYSE All Common index, ahead 0.6 at noon—ended 29 cents down at 826.30.

The market was still feeling the effects of yesterday's government report of a sharp drop in the August index of leading economic indicators.

The plight of the pound and Britain's application to the International Monetary Fund for a

Lockheed Aircraft was unchanged at \$9. Stockholders approved a refinancing plan backed by the company's banks. The company forecast that 1976 earnings will trail 1975's \$3.84 a share by a small amount.

American Motors, one of the most active issues, eased \$1 to \$44. The California Air Resources Board said it was suing the group to receive a \$4.2 million civil penalty for violation of pollution standards.

Reynolds fell \$1 to \$88.1 after voting a two-for-one stock split and increasing the dividend on the split shares.

Standard Oil of Ohio advanced \$1.25 to \$75. Helmerich Payne \$2.25 to \$41.1, which led to a 12.7% price decline on the AMERICAN SE, the index slipping 0.46 to 102.27. Turnover was 1.77m shares (1.89m), with declines leading advances 363 to 201.

Base Metals fell 1.81 to \$3.36. Prices declined over a wide front on Canadian Stock Markets yesterday.

Western Union 1.81 to 306.24. Industrials 0.70 to 184.82. Papers 0.41 down 2.55m. on yesterday, with 10.3m shares outstanding.

Utilities 0.09 to 147.33 and Golds 0.09 to 147.33. The gold price rose for services a small gain at mid-day—0.03 to 147.33. Its general systems 243.09.

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STOCKS on moderate volume after the company confirmed it was seeking an extension on its Beaufort sea drilling programme from the Federal Government.

PARIS—Prices retreated over a wide front in moderate trading, largely in response to the weakness on other international bourses.

All sectors closed lower, but there was some resistance to the decline in the Paris 100 index.

The heaviest losers included Paribas, off Frs.20 to 143. Carrefour, down Frs.30 to 1430. Michelin, Frs.30 down at 1290.

Thomson-Brandt, off Frs.30 to 175.30. Rhone-Poulenc, down Frs.1.20 to 171. GTM, Frs.9.50 down to 173.10. VW, Frs.1.50 to DM138.

Deutsche Bank DM190 to DM192.10. In easier chemicals, BASF lost DM140 to DM138.

SWITZERLAND—Slightly lower, with losses exceeding gains 43 to 23 in brisk trading.

Landis & Gyr Registered fell Sw.Frs.20 to 660 and Motor Union Motors Sw.Frs.20 to 860.

Other changes were small. Juvena, among the most active, opened at Sw.Frs.160 up 20 on Tuesday's close—but then dropped to 145 before closing at Sw.Frs.148 for a gain of 8.

OSLO—Banks, Insurances, Industrials and Shippings were all quiet.

VISNIA—Irregular. Semperit and Steyr were notably weaker.

COPENHAGEN—Mixed to lower, in moderate trading.

MILAN—Price movements were mixed, with margins, notably, narrowly outnumbering light gains.

JOHANNESBURG—Golds opened quietly easier following lower overnight bullion deliveries.

Platinum, however, eased slightly. Coppers and Platinums were bid slightly easier.

AUSTRALIA—Energy stocks were firm in an otherwise dull trading session.

Queensland Mines rose 10 cents to \$2.25 and Ampol Exploration put on 10 cents to \$1.15.

Woodside-Burnham advanced 3 cents to \$2.21. Pancontinental Resources 2 cents to 35 cents.

Peko-Wallend, however, lost 16 cents to \$4.30.

Bougainville eased 3 cents to \$1.21 and North Star 3H 3 cents to \$1.25.

AMS, Rose River and Poseidon were easier but AAR, MIM, Hamersley and CRA held steady.

Among Industrials, BHP gained 14 cents to \$4.74 and its Rights 3 cents to \$4.35.

EZ Industries lost 30 cents to \$4.20 on its profit downturn, and Comaleo, the Wales, Vormalis, Myers and ASL also fell.

Asset rose 4 cents to \$1.20.

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NEW YORK, Sept. 29.

All sectors opened higher on technical demand and late sales failed to reverse the trend.

Trading was quiet.

Flat up 1.23 to 1.568. Pirelli and Fiat rose 1.23 to 1.568.

HONG KONG—Stocks continued their decline in another day of slow trading.

Turnover totalled HK\$24.4m. (HK\$23.3m.).

Most leading shares closed lower, apparently in reaction to the decline in overseas markets.

Hong Kong Bank lost 10 cents to \$18.90. Hutchison 31 cents to \$18.75.

Wheelock "A" 5 cents to \$18.75. Wheelock "B" 5 cents to \$18.75.

Swire Pacific "A" 10 cents to \$18.90 and China Light 10 cents to \$18.90.

YOKO—Stocks rose across the board in active trading, extending Tuesday's gains.

Volume expanded sharply to 300m. shares (180m.).

Domestic-oriented shares were generally weaker, but export-oriented issues in view of growing overseas criticism of the rapid increase in Japan's exports.

Yokohama rose 1.23 to 1.568 on its higher export target. Trading House rose 1.23 to 1.568.

Mitsubishi, Matsushita Communication, and Matsushita Electric fell following Wall Street's Tuesday drop.

Jinomei headed the active list, moving up 1.23 to 1.568 on 13.88m. shares.

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STERLING lost a sharp turn-

about in yesterday's foreign exchange market, rising 2.07 cents to \$1.5678-\$1.5680.

The decision by Mr. Denis Healey the Chancellor of the Exchequer, to apply for a further loan from the International Monetary Fund, gave sterling a much needed boost.

Trade-weighted average depreciation as calculated by the Bank of England, narrowed to 4.3 per cent, from 4.5 per cent, on Tuesday.

The depreciation at noon stood at 4.4 per cent, and 4.3 per cent, in the morning.

Trading conditions continued to be rather nervous, and rather than any new buying, the news started a rash of short covering operations.

The West German mark improved to DM2.454 from DM2.4603 ahead of the general election on Sunday and the general feeling that some sort of currency realignment involving the European Community was being considered.

The Bundesbank was reported to have been in the market supporting the weaker members of the Community joint currency float in an effort to stem the rise.

Despite emergency measures decided by the government and substantial support from the Bank of Italy, the lira continued to weaken. Against the U.S. dollar it fell to 184.95 from 185.25.

The U.S. dollar suffered mainly from the strength of the mark, and its average depreciation on a Morgan Guaranty basis, using quotations in New York, widened to 2.8 per cent, from 2.7 per cent, previously.

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STOCK EXCHANGE REPORT

Markets remain despondent, despite rally in sterling
Share index off 5.7 more at a new low for the year of 330.4

Account Dealing Dates

First Declared Last Account
Dealings Close Dealings Day
Sep. 20 Sep. 30 Oct. 1 Oct. 12
Oct. 4 Oct. 14 Oct. 15 Oct. 26
Oct. 18 Oct. 28 Oct. 29 Nov. 9

* 9.30 a.m. dealings may take place from 9.30 a.m. to 10.30 a.m. earlier.

Yesterday's rally in sterling failed to stem the recent slide in equities. News of the Chancellor's application for the rest of the U.K.'s IMF standby credits gave rise to speculation about an early economic package which prompted a modest technical rally in the early afternoon, but this gradually faded out and final quotations of the leaders were only a little above the day's worst. Down 6.7 at its lowest of the day at noon, the FT 100 share index rallied to show a loss of 4.7 at 3 p.m. before closing 5.7 down on balance at a low for the year of 330.4. Turnover was small, but prices were quick to respond either way in the extremely thin and sensitive conditions prevailing throughout the session.

The tone in British Funds was also very tender. Long-dated stocks failed to hold initial gains ranging to 4 and closed with scattered rises of only 1 while short-dated issues recorded falls extended to 7. The Government Securities Index closed unaltered at 58.61.

Secondary issues sustained a general reaction, the more widespread nature of the setback being reflected in the 8-11 majority of falls over rises in FT-quoted equities compared with the previous day's ratio of 4-1. Sectorwise, Stores were hard hit by talk of the possibility of an increase in the VAT rate; the FT Actuaries index for the sector fell 2.5 per cent to a low for the year of 100.61 against a loss of 1.2 per cent, to 138.33, in the FT 370p. Discounts had ANZ Ryder

Actuaries All-Share Index Official markings off 114 compared with 5,203 on Tuesday and 4,298 a week ago.

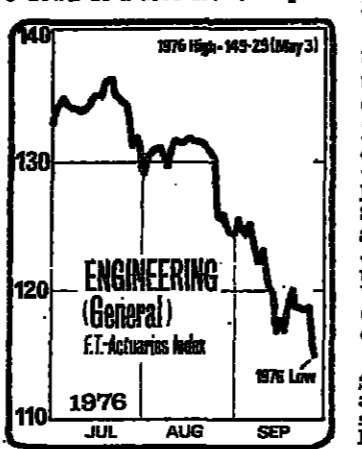
The announcement that the Chancellor was to apply for the rest of the agreed IMF standby credit brought a flush of early enthusiasm to City-edged. Simultaneously sterling was well advanced in its recovery movement and although this was maintained, buyers of funds became less eager and gains of 1 among long-dated issues began to evaporate. Finally, only a handful of high-coupon stocks held marginal gains on the day. A similar tendency at the shorter end caused initial improvement extending to 1 to be replaced by losses ranging to 1. Treasury 10 per cent, 1978, ended that much lower at 94.1.

Yesterday's debut of the two water issues was uneventful: Mid-Sussex 3 per cent. Preference, 1981, in £10-paid form, closed at £11.1 and York 15 per cent. Debenture, 1984 (£25-paid) ended at £25.1. Sterling's about-turn brought very erratic conditions to the investment currency market and after a thin trade the premium closed 71 points down at the day's lowest of 130.7 per cent; renewed offerings from arbitrage sources tended to hasten the decline. Yesterday's S.E. conversion factor was 0.6768 (0.6847).

Banks lower

More attention was given to the big four Banks, which tended to ease again with the general trend. Barclays shed 5 at 235p and National Westminster recorded 4 to 200p. Lloyds after Tuesday's fall of 10, steadied and were unchanged on the day at 183p. A reaction in the investment dollar premium took its toll overseas as the Hong Kong and Shanghai lost 17 to 353p and ANZ 15 to 370p. Discounts had ANZ Ryder

down 13 at 195p, while F.C. Finance shed 5 to 20p in a thin market among Hire Purchases. Insurances continued to drift lower, sharply higher first-half profits failed to inspire Legal and General, which eased a further penny on the news to close a net 3 down at a 1976 low of 82p.



The proposed £1.3m. rights issue and accompanying profits forecast did little for Matthew Brown which eased 2 to a 1976 low of 40p in line with the general dull trend of the Drinks sector. Distillers drifted down 2 to 115p and Allied Breweries closed 11 off at 87p.

In Building descriptions, H. and R. Johnson-Richards declined 7 to 140p, while losses of 4 were seen in Marchwell, 86p, and BPB Industries, 118p. Royce eased 11 to 18p on the disclosure of a sharp reduction in first-half profits, while Pophins, 35p, and Warrington, 23p, shed 3 apiece. Burns Anderson contrasted with a marginal gain at 17p on the increased earnings. Timbers also gave ground, Parker and Phoenix shed another 6 to 84p, the latter still showing disappointment with the half year results. Wolsey-Hughes lost 6 to 100p and Head Wrightson 4 to 51p, but Braithwaite rose 6 to 114p following speculative demand in a thin market and Herbert Morris

After briefly touching 315p, ICI recovered 2 to 134p. Possibly because of criticism of the Government's nationalisation plans, Shipbuilding was more vulnerable. The Robb Caledon declined 6 to 35p, while Swan Hunter slipped 3 to 33p.

Foods closed with a sprinkling of small falls. Fitch Lovell eased 3 to a 1976 low of 40p, while Northern Foods, 51p, and J. Sainsbury, 23p, shed 1 apiece. Cadbury Schweppes finished a penny off at 40p in front of to-day's interim statement, while losses of 3 were seen in Lockwoods, 30p, and Morgan Edwards, 40p. Bejam remained a dull market, losing a penny more at 52p following Press comment on the preliminary figures. Hotels and Caterers were also easier where changed. Norfolk Capital gave up a penny at 5p, while Grand Metropolitan, 35p, and Trust Houses Forte, 30p, shed 2 apiece. J. Borel, a firm market of late on trading news, reacted two points to 53p.

It was a thin day for movements in response to trading statements yesterday in the miscellaneous industrial sector, but Fosco Minsep took head of the warning accompanying the interim results that recovery is slower than expected, and the share declined 1 to 116p. Proposed one-for-three rights offer at 25p a share from Fairbairn Lawson outstripped the forecast of an increased dividend and the share rose 1 to 120p. After rising 13 over the two previous days, Hanimex held steady yesterday at 173p following the increased profits, proposed 1-3 scrip and share split together with the forecast of a maintained rate of dividend on the new capital. Further consideration of the reduced first-half profits owing to losses in Belgium shaved a penny from Solicitors' Law at 43p. However, comment on profits recovery added Campari, a penny up at 51p. The leaders sustained losses to 5 as a whole, 32p, but selling was light. Secondary issues recorded numerous losses to 5 and occasionally more. Avon Rubber were off at 71p, down 6 while the reaction in the dollar premium left Jardine Matheson 16 lower at 328p.

Lucas Industries featured Motors and Distributors, losing another 7 at 165p. Associated Engineering receded 11 to 89p, while Turner Manufacturing, 45p, and Clarke, 89p, both closed cheaper in thin markets. Armstrong Equipment gave up a penny more at 361p, while the new all-paid shares finished another 1 off at 26p premium. Against the reaction in the dollar edged up a penny to 23p in front of to-day's interim statement. Consideration of the first-half progress failed to sustain United

Newspapers which, mainly on the efforts of one seller in a thin market, fell 13 to 255p. Elsewhere in the sector, Thomson slipped 3 to 270p and News International gave up 4 to 105p. Dullness was also more pronounced in Paper/Printings where McCormack declined 9 to a low for the year of 8p. Bemrose, 3 easier at 54p, remained at that level after the good interim results.

Currency fluctuations affected the price U.S. buyers were prepared to pay for British Petroleum and this, together with the overnight rise on Wall Street, lowered BP to 613p before a close of 8 down on balance at 622p. Shell, the day's more active stock, also fell 8 to 390p, after 386p, partly influenced by a reaction in Royal Dutch which, on Continental and investment dollar advances, closed 13 down at 421p. Profit-taking took its toll on LASMO/SCOT issues, 8 cheaper at 247p, but Ultramar reversed this to the overnight level of 116p on the agreement with Indonesia on the amended production sharing contract. Among overseas stocks, Schenck (U.K.) dipped 15 to 35p and Sunningdale gave up 1 to 214p.

Fosco Minsep down

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Oils reactionary

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Properties continued to languish although in places prices closed a shade above the lowest. Land Securities were a good example of the trend, reacting to 128p prior to ending a net 4 down at 129p, while MEPC gave up 3 more to 33p. Losses among secondary issues were occasionally heavier, 15p, Bernard Sunley a further 5 to 100p and Brixton Estates 4 to 60p. McKay Securities lost 5 to 65p, but Percy Biltona picked up 2 more to 24p, still on the higher dividend forecast coupled with the Lamson Industries deal. Scottish Metropolitan gained 11 to 621p following the increased half-year revenue.

Time Darby appeared to be more influenced by the reaction in the dollar premium than in the increased profits and higher dividend and consequently lost 5 to 135p. Other Overseas Traders recorded falls to 10p, while the reaction in the dollar fell 13 more to 375p, making a three-day loss of 37p. Lombard reacted aresh to 68p before closing a net 3 lower at 71p, while Gill and Duffus declined 7 to 138p.

Having shown some resilience of late, the London stock market was finally unsettled by Tuesday's overnight weakness on Wall Street. Estate Agents were vulnerable at 195p, down 8 while Estates House shed 8 to 175p. The about-turn in the investment dollar premium brought about similar movements in recent firm counters like 20 lower at 215p and Driefontein, 116, 65p, and Rolando sub-shares, 15 off at 497p, while Jardine Securities ended 13 down at 132p. By

FINANCIAL TIMES STOCK INDICES									
	Sept. 29	Sept. 28	Sept. 27	Sept. 26	Sept. 25	Sept. 24	Sept. 23	Sept. 22	Sept. 21
Government Sec.	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61
Fixed Interest	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61
Industrial Ordinary	330.4	330.4	330.4	330.4	330.4	330.4	330.4	330.4	330.4
Gold Mines	100.5	100.5	100.5	100.5	100.5	100.5	100.5	100.5	100.5
Ord. Div. Yield	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Share Price Index	330.4	330.4	330.4	330.4	330.4	330.4	330.4	330.4	330.4
20-yr. Govt. Bonds	7.54	7.54	7.54	7.54	7.54	7.54	7.54	7.54	7.54
Debtless market	5,114	5,114	5,114	5,114	5,114	5,114	5,114	5,114	5,114
Equity turnover £m.	64.90	64.90	64.90	64.90	64.90	64.90	64.90	64.90	64.90
Equity turnover total	11,595	11,595	11,595	11,595	11,595	11,595	11,595	11,595	11,595

HIGHS AND LOWS S.E. ACTIVITY									
	High	Low	High	Low	High	Low	High	Low	High
Govt. Sec.	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61
Fixed Int.	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61	58.61
Ind. Ord.	330.4	330.4	330.4	330.4	330.4	330.4	330.4	330.4	330.4
Gold Mines	100.5	100.5	100.5	100.5	100.5	100.5	100.5	100.5	100.5

way of contrast, Channel Islands and International Capital hardened 5 to 255p in front of to-day's interim figures. Roundley Investments held steady at 5p following news of the intended offer (41p) from Martin Bick.

Dealers reported a disappointing business in Shippings. Beadon Smith reacted 7 to 185p with the "A" 6 lower at 78p on the poor first-half figures, while losses of 3 and 41 respectively were seen in 20 Deferred, 106p, and Ocean Transport, 124p.

Contrails sustained a fresh fall of 4 at 109p in Textiles. Bechem were a shade lower at 50p following the results and proposed scrip issue, but Yorkshire Fine Woollen Spunners responded to the good first-half profits performance by increasing to 24p. Tootal, 11 harder at 33p, were also helped by favourable interim figures. Imps drifted down a penny to close at a 1976 low of 66p in Tobacco.

Teas were enlivened after-hours on news that James Finlay have agreed terms with Achabum, Borat and Chubwa to purchase the shares of Achabum rose from 20p basis to 65p basis, while Borat gained 8 to 28p. Chubwa were hoisted 120 to 185p with the 7 per cent. Preference being marked up from 40p to 50p; James Finlay eased 3 to 125p.

Mines easier

It was a dull day generally in mining share markets, the major factor being the reaction in the investment currency premium. This reaction, combined with a fresh fall in the bullion price to \$116.25 per ounce, a loss of 50 cents, caused a further mark down of South African Gold shares. The heavier priced issues tended to lose around 1 as in Randfontein, 215, and West Driefontein, 216. The lower priced stocks gave up around 30, as in East Driefontein and Western Deep at 505p and

Airline may buy Russian jet

ALITALIA, the British airline, is to consider buying a Russian jet aircraft because it is a sales tour of the firm's plane is the Aerojet YAK40 three-engine jet, which is on a sales tour of Britain. Captain Roger Dadd, managing director of Alitalia, said yesterday after flying the 32-seater aircraft that it was "a jet-powered tractor designed for short, rugged journeys".

BASE LENDING RATES

Bank	Rate
Allied Irish Banks Ltd.	12 1/2
American Express Bank Ltd.	12 1/2
Anglo-Portuguese Bank Ltd.	12 1/2
Bank of America	12 1/2
Bank of Australia	12 1/2
Bank of Canada	12 1/2
Bank of China	12 1/2
Bank of India	12 1/2
Bank of Japan	12 1/2
Bank of Korea	12 1/2
Bank of London	12 1/2
Bank of Mexico	12 1/2
Bank of New South Wales	12 1/2
Bank of Norway	12 1/2
Bank of Persia	12 1/2
Bank of Portugal	12 1/2
Bank of Russia	12 1/2
Bank of Spain	12 1/2
Bank of Sweden	12 1/2
Bank of Switzerland	12 1/2
Bank of the East	12 1/2
Bank of the Middle East	12 1/2
Bank of the South	12 1/2
Bank of the West	12 1/2
Bank of the North	12 1/2
Bank of the East	12 1/2
Bank of the Middle East	12 1/2
Bank of the South	12 1/2
Bank of the West	12 1/2
Bank of the North	12 1/2

NEW HIGHS AND LOWS FOR 1976

The following securities closed in the Share Information Service yesterday at their highest and lowest for 1976.

NEW HIGHS (5)

Antarctica Ry. CANADIAN (1)

Lee Cooper STORES (1)

US Trust Fund TRUSTS (1)

NEW LOWS (247)

Antarctica Ry. CANADIAN (1)

Lee Cooper STORES (1)

US Trust Fund TRUSTS (1)

Antarctica Ry. CANADIAN (1)

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS		Wednesday, September 29, 1976										Highs and Lows Index					
GROUPS & SUB-SECTIONS		Index No.	Day's Change %	Est. Earnings Yield % (Mar. 69)	Gross Div. Yield % (Mar. 69)	Est. P/E Ratio (Mar. 69)	Est. P/E Ratio (Mar. 69)	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	1976	Since Compilation		
Figures in parentheses show number of stocks per section														High	Low	High	Low
1	CAPITAL GOODS (179)	194.48	-0.9	20.88	7.46	7.10	7.13	125.59	129.18	130.11	129.90	121.54	160.06	124.48	206.37	50.17	121.24
2	Building Materials (30)	111.36	-1.4	20.00	8.55	7.56	7.56	112.91	117.78	119.31	118.23	121.41	121.41	121.41	121.41	121.41	121.41
3	Contracting, Construction (23)	178.59	-1.8	24.71	6.51	6.32	6.32	175.77	178.91	179.47	177.43	181.99	180.20	186.88	389.83	71.48	111.24
4	Electricals (16)	251.33	-0.8	19.50	7.52	7.75	7.75	251.58	253.58	259.08	208.19	257.50	256.98	350.04	86.71	121.24	121.24
5	Engineering (Heavy) (13)	147.51	-0.9	21.20	8.44	6.69	6.69	148.88	154.88	156.58	147.58	150.13	151.45	160.06	51.24	121.24	121.24
6	Engineering (General) (64)	114.88	-0.7	21.14	7.96	7.00	6.99	115.68	118.81	118.78	118.94	108.87	109.29	114.88	168.59	45.14	121.24
7	Machine and Other Tools (9)	50.16	-1.0	18.38	8.86	7.76	7.76	50.68	51.67	51.83	51.83	40.73	60.59	50.16	70.70	9.96	121.24
8	Miscellaneous (24)	109.98	-1.5	18.72	8.05	7.90	7.92	111.64	114.67	115.43	115.43	103.43	103.43	103.43	103.43	103.43	121.24
9	CONSUMER GOODS (DURABLE) (53)	103.57	-1.4	22.14	6.74	6.78	6.78	108.08	108.48	109.41	109.79	98.21	141.45	103.57	227.78	38.29	121.24
10	Lt. Electronics, Radio TV (15)	112.36	-0.5	21.35	6.19	6.90	6.88	112.87	117.06	117.95	118.97	117.19	160.39	112.36	257.41	42.55	121.24
11	Household Goods (13)	134.28	-0.8	21.94	8.90	6.95	6.98	135.32	137.88	138.29	138.51	100.95	197.22	134.28	363.42	63.92	121.24
12	Motors and Distributors (25)	66.37	-3.0	23.32	8.21	6.55	6.52	66.45	70.51	71.33	71.14	50.09	55.16	66.37	170.59	12.41	121.24
13	CONSUMER GOODS (NON-DURABLE) (169)	126.39	-1.3	17.54	7.61	6.82	6.84	128.09	131.89	132.71	132.19	136.18	168.94	126.39	226.06	61.41	121.24
14	Breweries (15)	139.94	-1.6	16.91	8.15	8.85	8.85	148.19	146.96	147.65	148.28	163.50	179.43	139.94	281.87	60.47	121.24
15	Wines and Spirits (7)	143.06	-1.1	16.55	7.66	9.28	9.28	144.70	147.69	148.74	148.08	138.08	179.43	139.94	281.87	60.47	121.24
16	Entertainment, Catering (14)	149.37	-2.1	16.70	8.93	9.24	9.16	152.57	155.75	160.35	160.77	154.94	211.25	149.37	289.59	54.87	121.24
17	Food Manufacturing (23)	140.79	-1.2	19.96	6.49	7.60	7.55	142.43	145.33	146.65	146.09	149.47	179.43	139.12	311.55	59.79	121.24
18	Food Retailing (16)	113.46	-1.1	16.19	6.39	9.03	9.03	114.77	118.89	119.76	119.01	143.33	119.41	113.46	118.89	119.76	121.24
19	Newspapers, Publishing (16)	163.21	-2.3	14.54	6.38	10.45	10.45	167.15	168.40	168.68	168.19	134.34	194.34	163.21	250.29	85.06	121.24
20	Packaging and Paper (12)	87.77	-0.9	17.06	8.91	9.01	9.01	88.58	91.38	91.16	91.29	81.58	112.50	87.77	135.69	43.46	121.24
21	Stores (34)	100.61	-2.3	15.15	6.95	10.15	10.15	102.95	105.95	106.90	106.90	119.84	119.84	100.61	105.95	106.90	121.24
22	Textiles (23)	127.13	-0.4	14.26	9.04	10.82	9.40	127.68	131.43	132.46	129.52	138.78	168.19	127.13	250.29	85.06	121.24
23	Tobaccos (3)	199.21	-	23.00	8.67	6.76	6.76	199.80	205.22	206.50	205.07	186.85	241.89	197.02	339.15	94.34	121.24
24	Toys and Games (6)	66.34	-0.8	22.73	9.02	5.89	5.86	66.27	69.13	69.83	68.46	68.02	68.46	66.34	68.02	68.46	121.24
OTHER GROUPS (85)																	
25	Chemicals (36)	182.37	-0.2	16.81	6.29	8.11	8.11	182.64	186.30	189.30	188.75	173.40	231.25	182.37	351.38	71.30	121.24
26	Office Equipment (9)	79.18	-0.7	15.20	6.65	8.61	7.91	78.78	82.40	81.71	80.75	79.07	102.15	79.18	102.15	102.15	121.24
27	Shipping (12)	359.83	-1.1	13.78	7.28	10.89	9.38	363.90	370.06	372.46	368.86	359.29	404.66	359.83	372.46	372.46	121.24
28	Miscellaneous (45)	134.06	-1.0	17.17	8.76	8.78	8.74	135.40	138.87	139.93	138.91	139.59	172.98	134.06	259.85	60.39	121.24
29	INDUSTRIAL GROUP (496)	130.44	-1.0	18.51	7.39	8.07	8.03	131.78	135.38	136.39	136.01	135.28	165.50	130.44	220.17	55.00	121.24
30	OILS (4)	347.73	-1.6	12.85	5.04	9.46	8.70	355.45	353.97	350.59	351.45	304.63	395.94	324.26	451.66	97.23	121.24
31	500 SHARE INDEX	1498.03	-1.1	17.25	6.98	8.28	8.14	1499.71	1503.03	1505.83	1507.55	1477.46	183.00	1498.03	1827.95	63.49	121.24
32	FINANCIAL GROUP (100)	109.43	-1.6	—	7.23	—	—	111.17	113.79	115.33	115.33	128.63	155.46	109.43	341.41	65.86	121.24
33	Banks (6)	135.31	-1.2	25.00	5.79	6.15	6.15	136.96	140.72	144.49	141.30	151.86	192.16	135.31	283.32	62.48	121.24
34	Discount Houses (10)	129.71	-2.3	—	10.66	—	—	132.76	137.40	137.40	137.40	148.28	192.16	129.71	283.32	62.48	121.24
35	Hire Purchase (5)	79.12	-1.0	9.16	8.29	84.84	84.24	79.91	81.86	81.01	81.09	93.43	152.10	79.12	433.78	38.83	121.24
36	Insurance (Life) (10)	88.80	-1.7	—	8.46	—	—	90.33	94.57	96.96	97.37	112.19	129.46	88.80	195.49	111.24	121.24
37	Insurance (Composite) (7)	86.73	-2.0	—	8.58	—	—	88.49	89.33	90.90	91.26	106.03	139.76	86.73	195.49	111.24	121.24
38	Insurance Brokers (9)	323.42	-0.1	12.95	6.22	11.56	11.56	325.69	326.78	327.70	326.14	300.51	376.90	323.42	376.90	65.86	121.24
39	Merchant Banks (15)	55.23	-1.7	—	10.07	—	—	56.18	67.60	68.74	58.90	84.50	92.33	55.23	275.87	31.31	121.24
40	Property (32)	134.27	-2.3	4.52	4.08	39.84	37.98	137.10	140.71	140.48	138.43	164.59	194.66	134.27	195.49	111.24	121.24
41	Miscellaneous (6)	68.99	-0.4	20.58	12.07	7.40	7.40	69.27	70.63	71.34	71.34	68.25	91.98	68.99	100.13	60.39	121.24
42	Investment Trusts (50)	139.45	-1.0	1.94	6.49	26.81	26.91	140.81	140.36	140.58	140.51	156.83	194.55	139.45	245.79	71.52	121.24
43	ALL-SHARE INDEX (650)	1584.93	-1.2	—	6.94	—	—	140.09	148.05	145.96	148.78	142.27	172.64	1584.93	229.18	61.92	121.24
COMMODITY GROUPS (Not included in 500 or All-Share indices)																	
44	Rubbers (9)	468.94	-0.5	10.05	5.98	14.47	15.40	471.12	473.89	478.85	478.56	371.80	532.40	404.87	555.37	84.56	121.24
45	Teas (9)	131.86	-0.7	50.71	9.05	4.32	4.31	132.81	132.75	133.37	133.98	104.38	142.43	117.89	143.45	59.72	121.24
46	Coppers (3)	301.94	—	32.08	5.35	3.12	3.12	201.94	201.94	199.03	194.47	296.78	301.94	296.78	301.94	301.94	121.24
47	Mining Finance (11)	88.77	-0.8	11.76	5.85	8.55	9.01	89.33	89.73	90.44	89.98	106.28	119.77	88.77	175.90	66.31	121.24
48	Tins (7)	115.94	-0.8	13.81	8.56	11.12	11.05	116.89	115.07	113.20	109.04	108.32	121.14	115.94	121.14	108.32	121.24
49	Overseas Traders (13)	804.40	-1.9	17.10	6.47	7.84	7.84	808.89	812.48	814.70	814.07	306.49	884.47	804.40	874.47	97.57	121.24
FIXED INTEREST																	
		Wed., Sept. 29	Tuesday Sept. 28	Monday Sept. 27	Friday Sept. 25	Thurs. Sept. 24	Wed. Sept. 23	Tuesday Sept. 22	Monday Sept. 21	Year (approx.)	1976		Since Compilation				
		Index No.	Yield %								High	Low	High	Low			
1	Consols 2 1/2% yield	—	14.78	14.78	14.68	14.65	14.64	14.63	14.73	14.58	—	—	—	—			
2	20-yr. Govt. Stocks (6)	45.81	114.14	45.83	46.42	46.48	46.29	46.21	46.04	45.75	46.75	65.45	40.75	115.42	38.27		
3	20-yr. Red. Deb. & Loans (15)	47.27	115.58	47.37	47.66	47.47	47.68	47.68	47.49	47.36	48.08	52.40	46.29	115.53	37.01		
4	Investment Trust Prefs. (15)	46.21	15.08	46.52	46.80	46.80	47.06	47.14	47.14	47.14	45.58	51.23	45.43	114.41	54.45		
5	Coml. and Indl. Prefs. (20)	63.02	15.31	63.58	64.67	64.54	64.58	64.55	64.55	64.69	63.60	71.97	63.02	115.45	42.79		
The Financial Times, Brackley House, Cannon Street, London, EC4P 3DY, prices by telex.																	
A record of the indices, last 500, is obtainable from FT Business Electronics, 30, Bolt Court, London, E.C.1. It gives all series and their history.																	
For further details, see the start of the series in the "Financial Times" and the "																	

FT SHARE INFORMATION SERVICE

Start	End	+
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CANADIANS		BUILDING INDUSTRY—Continued	
1964	1965	1964	1965
100	100	100	100
101	101	101	101
102	102	102	102
103	103	103	103
104	104	104	104
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107	107	107	107
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191	191	191	191
192	192	192	192

72	42	Marley	42	-2	62.23	2.4	8.9	80
88	65	Marshall (Rb)	68	+1	64.71	3.1	10.7	4.7
85	65	Mar. & Hancock	64	-1	2.49	4.8	6.0	-

6. $\frac{1}{2} + \frac{1}{3} = \frac{5}{6}$ Div $\frac{5}{6}$ by $\frac{1}{6}$ = 5

157	102	Gerrard Nal.	102	-3	10.39	-1	10.0	536	76	Travis & Arnold.	80	-2	13.1	7.5	60	3.4	73
58	33	Gibbs (A.)	34		11.79	-8	8.2	134	76								
228	146	Gillett Bros. Co.	150	-3	13.0	-13	13.3	202	146	Tunnel B50p	146	-2	8.87	3.1	9.3	5.1	44
					2.30	-2	2.3	1.92	25	TRM Green	35	-3	4.2	9.0	18.5	9.6	137

pe Stock 77-82_____ | **73** | -36

AMERICAN LOANS

7-80	801	
7-81	601	

FOREIGN BONDS & RAILS				
1922		Price	+ gr	Div %

Stock	Price £
-------	------------

U.S. \$ & DM prices exclude inv. 3 premi.

[illegible]

15	1900	Alzo NV FL20...	E10	-1	-
			57		43.75

CINEMAS, THEATRES AND TV

12	Bevan (D.F.) 5p	131 ₂	.....	HL1	3.8	13.3
11 ₂	Bayer Penstock 3p	22 ₂	-1 ₂	HL62	♦	11.1
9 ₂	Birmid Quakerst.	49	-1 ₂	3.63	2.1	11.4

1-2-1483-391

90	Hall Eng. 50p.	90	-3	4.32	4.27
85	Hall Matthew	87	-2	5.76	1.710

1975 Low	Stock	Price	+ -	Div Net	CYR	G
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21	Lyndis Mpt	22	-----	1.57	3.81
48	M.L. Holdings	53	-4	3.47	3.81
71	Mangan Brouse	12	-12	0.25	14.2

72	Mangan Bronze	12	12	0.25	2.2
16	Martin (Tom) 10p	28	28	4.00	2.2
				3.37	3.4

02	19	Edman Huan 10p	22	.....	7.10	4.4
03	118	Renold El	118	-2	7.68	1.6
11	33	Richus West 50p	34	.....	3.73	1.8

21	Shaw Francis 20p	29	2.14	2.7
26 1/2	Shaw Francis 20p	50	3.1	2.1

181	16	W. Brom Sp'g. 10p.	17	.....	1.00	5.
70	48	Westland	52	-1	12.85	2.
48	281	West. Fr. Sp. 20p.	39	-2	2.48	3.

87	37	Whiskey	9	-1	0.71	3
14	9	Whiskey Wht. Sp	9	-1	0.71	3
17	21	Whiskey Wht. Sp	9	-1	0.71	3

57	39	Stukey's Rock top	39	1.20	
81	62	Bajam 10p	63	2.6	
114	74	Bibby (J.) & S.	94	5.32	

380	275	Brit. Sugar Lj —	285	-3	59.27
10	612	Brit. Venc'g 10p..	712	+12	10.42
					12.37

36	19	C.C.H. Invest.	26	-	-
88	75	De Vere Hotels	37	-1	3.82

1978

6.0
7.2

3.7
4.2

8.5	30	58	Brady bds.	60	58
5.1	97	83	Branner (H) 3p	83	42
1.2				118	15

51	38	17	Brittania	17	-2	31
75	857	630	R. H. Prom. 542	805ml	+10	805

0	3.4	144	94	Coral Leds. 10p.	3.4	+2	1
4	8.1	36	30	Cosalt	3.8	.....	8
8	4.3	41	22	Courtesy Page 20p.	3.6	.....	11

2	3.3	431 ₂	28	Crest Nickel Bldg.	28	-1	9
4	5.9	143	105	Crosby House Fl.	119		

5.6	24	18	Sea Hides 10p	46	-3
3.7	5.7	34	Elber Inds 50p	140	-5
2.5	13.6	40			

9.2	4.1	42	24	Elliott P'b'rs. 10p.	31	-3
0.3	127	45	23	Hess & Robbins	28	

6.8	22.5	76	43	Humb. High 10p...	26	
		61	32 1/2	Hulch. Int. 10p...	59	-2

INDUSTRIALS—Continued

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Petroleum	152.00	1.50	0.98	1.50	0.98	1.50	0.98	1.50	0.98
Shell	148.00	1.40	0.95	1.40	0.95	1.40	0.95	1.40	0.95
British Airways	145.00	1.30	0.90	1.30	0.90	1.30	0.90	1.30	0.90
British Overseas Airways	142.00	1.20	0.85	1.20	0.85	1.20	0.85	1.20	0.85
British Airways	139.00	1.10	0.80	1.10	0.80	1.10	0.80	1.10	0.80

INSURANCE

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Insurance	135.00	1.00	0.75	1.00	0.75	1.00	0.75	1.00	0.75
British Overseas Insurance	132.00	0.90	0.70	0.90	0.70	0.90	0.70	0.90	0.70
British Overseas Insurance	129.00	0.80	0.65	0.80	0.65	0.80	0.65	0.80	0.65
British Overseas Insurance	126.00	0.70	0.60	0.70	0.60	0.70	0.60	0.70	0.60
British Overseas Insurance	123.00	0.60	0.55	0.60	0.55	0.60	0.55	0.60	0.55

PROPERTY—Continued

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Property	120.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
British Overseas Property	117.00	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
British Overseas Property	114.00	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
British Overseas Property	111.00	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
British Overseas Property	108.00	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10

TRUSTS—Continued

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Trusts	105.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	102.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	99.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	96.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	93.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Other Offices: Paris, Frankfurt/Main, Amsterdam, Zurich

MOTORS, AIRCRAFT TRADES

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Motors	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Motors	97.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Motors	94.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Motors	91.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Motors	88.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

COMMERCIAL VEHICLES

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Commercial Vehicles	85.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Commercial Vehicles	82.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Commercial Vehicles	79.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Commercial Vehicles	76.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Commercial Vehicles	73.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SHIPS BUILDERS, REPAIRERS

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Shipbuilders	70.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipbuilders	67.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipbuilders	64.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipbuilders	61.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipbuilders	58.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SHIPPING

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Shipping	55.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipping	52.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipping	49.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipping	46.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shipping	43.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SHOES AND LEATHER

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Shoes	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shoes	37.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shoes	34.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shoes	31.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Shoes	28.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

NEWSPAPERS, PUBLISHERS

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Newspapers	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Newspapers	22.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Newspapers	19.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Newspapers	16.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Newspapers	13.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SOUTH AFRICANS

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas South Africans	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas South Africans	9.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas South Africans	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas South Africans	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas South Africans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TEXTILES

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Textiles	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Textiles	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Textiles	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Textiles	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Textiles	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

OVERSEAS TRADERS

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Overseas Traders	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Overseas Traders	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Overseas Traders	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Overseas Traders	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Overseas Traders	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RUBBERS AND SISALS

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Rubbers	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Rubbers	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Rubbers	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Rubbers	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Rubbers	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

PROPERTY

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Property	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Property	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Property	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Property	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Property	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TORACOS

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Toracos	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Toracos	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Toracos	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Toracos	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Toracos	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TRUSTS, FINANCE, LAND

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Trusts	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Trusts	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TEAS

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Teas	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Teas	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Teas	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Teas	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Teas	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

AFRICA

Stock	Price	Div	Yield	Div	Yield	Div	Yield	Div	Yield
British Overseas Africa	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Africa	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Africa	0.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Africa	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Overseas Africa	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

MISCELLANEOUS

5	Kershaw (A) Sp.	525	12.81	0.6	3.8	64	52	London United Sp.	54	-2
7	Kleeman	158	td4.26	6.0	4.2	226	154	Malheur Wr. 30p.	190	
7	Krohn Int.	30			6.3	160	70h	Minot Hides Sp.	117	

